U.S. News
& World Report

JULY 15, 1955 20 CENTS

HOW NEAR IS RUSSIA TO REVOLT?

PURDUE UNIVERSITY
JUL 13 1955
LIBRARY

Rx

What You Should Know About HEALTH

EXCLUSIVE INTERVIEW with
Dr. Robert Collier Page,
Medical Consultant to I

MR J H MORIARTY
LIBRARIES
PURDUE UNIVERSITY
LAFAYETTE IND

Photograph by d'Ar

"Why didn't somebody think of this before!"

Finding new and better ways to handle products and materials is a constant challenge to industry. One remarkably simple idea, developed by American Cyanamid to reduce the cost of handling products packed in bags, has proved so effective that even specialists in materials handling are prompted to say, "Why didn't somebody think of this before?"

The idea is based on a pallet made of paper. Called "ACCOPAK* Pallet," it is a paper sling fitted with paperboard tubes at each end. As shown in the illustration, the forks of a lift truck fit into these tubes so that palletized or stacked loads may be picked up, carried, stored or shipped without removing the pallets. Low in cost, these pallets weigh only three pounds and take up but a fraction of the space of conventional pallets. Now used in shipping various products, they can save almost a ton of weight per freight car—with corresponding savings in shipping costs!

These ACCOPAK Pallets, made practical by the use of wet-strength paper, another Cyanamid development, are a result of the company's constant search for better handling techniques as well as better methods for producing chemicals.

*Trade-mark

AMERICAN *Cyanamid* COMPA

30 ROCKEFELLER PLAZA, NEW YORK 20, N

Fastening Formica® to stay

3M ADHESIVES

What's going *under* the counter in today's modern kitchens? In many progressive kitchen-equipment companies, it's the 3M adhesives EC-1357 and 1368. These "quick grabbing" adhesives have what it takes to bond satiny smooth surfaces like Formica* and steel together—and bond them to stay.

Not long ago, however, this particular manufacturer used *wood* bases for all counter tops of high-pressure laminates like Formica. All the adhesives tried on steel just wouldn't do the job satisfactorily. But along came a 3M Field Engineer to point out the talents of EC-1357. It was tried . . . proved . . . used. Now this manufacturer can skip the wood bases and make cabinets *all steel*. His gain? Important production economies in both material and handling . . . while offering a better, longer-lasting cabinet in the bargain.

See what adhesives can do for you . . . This is just one example of the work being done by over 1000 specialized 3M adhesives, coatings and sealers in industry today. Among them may be the specific products to solve *your* design or production problems. Find out by talking to an expert; call in your nearest 3M Field Engineer. Or write 3M, Dept. 97, 417 Piquette, Detroit 2, Mich.

ADHESIVES AND COATINGS DIVISION **MINNESOTA MINING AND MANUFACTURING COMPANY**

417 PIQUETTE AVE., DETROIT 2, MICH. • GENERAL SALES OFFICES: ST. PAUL 6, MINN. • EXPORT: 99 PARK AVE., N.Y. 16, N.Y. • CANADA: P.O. BOX 757, LONDON, ONT.

MAKERS OF "SCOTCH" BRAND PRESSURE-SENSITIVE ADHESIVE TAPES • "SCOTCH" BRAND SOUND-RECORDING TAPE • "SCOTCHLITE" BRAND REFLECTIVE SHEETINGS • "3M" ABRASIVE PAPER AND CLOTH • "3M" ADHESIVES AND COATINGS • "3M" ROOFING GRANULES • "3M" CHEMICALS

IN THIS ISSUE

★ 21 Stayed: What Kind Of GI Chose Communism?

Why did Chinese Communism look more attractive than home to 21 Americans captured in Korea? In her book, "21 Stayed," Virginia Pasley traces how each man was molded, how he looked to his family, teachers, pastors, neighbors, fellow prisoners. Extracts from the book begin on page 40.

★ What's Ahead for Youths in Reserve Plan

A new armed-forces Reserve bill, now in Congress, means changes both for men who must join the colors and for businessmen trying to keep employes. For details, see page 36.

★ What Bankers Think About Loans, Interest

A survey of bankers all over the country by *U.S. News & World Report* shows a new trend in lending and in charges for money. For what to expect if you borrow, see page 106.

★ Contents

March of News 4
Tomorrow: A Look Ahead 7
Washington Whispers 10
People of the Week 14
Why Communists Talk Peace 19
★How Near Is Russia to Revolt? —Interview With Nikolai E. Khokhlov 24
U. S. Farms: Eye Opener to Reds 30
What Will Cost More Now 35
Choices Young Men Face in Military Duty 36
21 American GI's Who Chose Communism 40
Why All the Stock Splitting 47
★What You Should Know About Health —Interview With Dr. Robert C. Page 52
Worldgram 67
Congressmen Run Radio, TV "Factory" 70
The Man—The News: Senator Clements—New Senate Leader 75
Reds Tell Refugees: "Come Home" 78
Ike Talks About Khrushchev, Arms Cut —From President's Press Conference 85
The Building Boom Begins to Let Down 88
News You Can Use 93
Indicators of Business Activity 97
Labor Week: A Union That Struck It Rich 98
Trend of Business 101
News-Lines for Businessmen 104
Finance Week: It'll Be Harder to Get a Loan 106
Business Around the World 113
David Lawrence Editorial 128

The Associated Press is exclusively entitled to the use for republication of the local telegraphic and cable news published herein, originated by U. S. News & World Report or obtained from The Associated Press.

HANDY WAY TO SUBSCRIBE

U. S. NEWS & WORLD REPORT
Circulation Department, 437 Parker Ave., Dayton 1, Ohio

Please enter my subscription to U. S. News & World Report for one year and send bill to me. (U. S., its possessions and Canada, $5, other countries, $6.)

Name_____

Address_____

City_____ State_____

NHW 26

THE UNITED STATES NEWS

WORLD REPORT

U. S. WEEKLY
Three Titles Reg. U. S. Pat. Off.

Published weekly at Washington, D. C., Editorial and Executive Offices, the United States News Building, 24th & N Streets, N.W., Washington 7, D. C. Subscription rates, delivered prepaid, in United States, its possessions and Canada, $5 for one year, $8 for two years, $10 for three years. Postage to other countries $1 a year additional. Entered as second-class matter at the post office Washington, D.C., under the act of March 3, 1879.

Entire contents of this publication copyrighted 1955 by United States News Publishing Corporation. Rights reserved under Pan American Copyright Convention and International Copyright Convention.

BOARD OF EDITORS

DAVID LAWRENCE, *Editor*
OWEN L. SCOTT, *Executive Editor*
BEN. J. GRANT, L. NOBLE ROBINSON, *Assistant Executive Editors*
CARSON F. LYMAN, *Managing Editor*
WALTER HUSTED, *General News Editor*
DEREK FOX, *Art Editor*

ASSOCIATE EDITORS

W. B. RAGSDALE, GEORGE W. BOLTON
RICHARD L. TURNER, GLENN WILLIAMS
M. L. RAMSAY, W. C. BRYANT
JOHN H. ADAMS, GEORGE E. JONES
FRED M. HARMON, JULES B. BILLARD
ARCHIE ROBINSON, ROBERT GINSBURGH
LEONARD WILLIAMS, DONALD P. DOANE
CHARLES M. PLATT, CLARKE BEACH
J. FRANK DIGGS, GRANT SALISBURY

A. S. McLEOD, *Chief Economic Unit*
PHILIP H. BOLLINGER, CHARLES H. DAVEY
JOHN B. BLEDSOE, THOMAS H. F. HUGHES

Regional Editors: New York—GILMORE IDE; FRED VANDERSCHMIDT; San Francisco—EDWIN J. DRECHSEL

NEWS EDITORS

TURNER ROSE, *Chief of News Editors*
WILLIAM H. RIEBOLD, DONALD BECKER
THURBER W. CUSHING, JOHN P. SUTHERLAND
F. W. GAPP, L. DAVID LeROY
N. KEY HART, F. E. GALBRAITH, JR.
FRED A. EMERY, CLAIR JOHNSON
FRED C. PAINTON

Assistant News Editors: Barbara Blair Furlow, Iva Holland, Lucy Cobb Jones, Thomas E. Russell, Donald Smith.

Research: Catherine Adams, Barbara Eddy, Mabe S. Groettum.

WORLD STAFF

HOWARD FLIEGER, *Directing Editor*
JOHN R. FLEMING, *Associate Director*

CHARLES FOLTZ, JR., *European News Editor*
CLARK H. GALLOWAY, *Inter-American News Editor*
PERRY K. SELLON, *Editor, World Business*

CHARLES H. KLINE, *Associate Editor, London*

REGIONAL EDITORS ABROAD

ROBERT KLEIMAN.....Western Europe
KURT LACHMANN.....Central Europe
JOHN D. LAW.....Southern Europe
JOE FROMM.....Southeast Asia
ROBERT P. MARTIN.....Japan and the Far East
ALBERT J. MEYERS.....United Kingdom

BUREAUS: LONDON, PARIS, BONN, ROME, SINGAPORE, TOKYO

ART DEPARTMENT, WASHINGTON

H. KLEBANOFF, *Director*, J. Ernest Beavin
H. C. Richardson, Walter O. Gretschel, E. H. Castens, M. J. Shimp
Staff Photographer: Thomas J. O'Halloran, Jr.

LUTHER A. DAWSON, *Librarian*

BUSINESS DEPARTMENT

24th & N Sts., N.W. Washington 7, D. C.
JOHN H. SWEET, *Publishing Director*
ANTHONY R. GOULD, *Business Manager*
HAROLD M. WELLS, *Executive Secretary*
W. L. BRAUER, *Treasurer*

ADVERTISING DEPARTMENT

30 Rockefeller Plaza, New York 20, N. Y.
Tel. Circle 6-3366
H. L. BEHLKE, *Director of Advertising*

NORMAN O. MICK, *Associate Advertising Director*
35 East Wacker Drive, Chicago 1, Ill.
Tel. Dearborn 2-4042

CIRCULATION DEPARTMENT

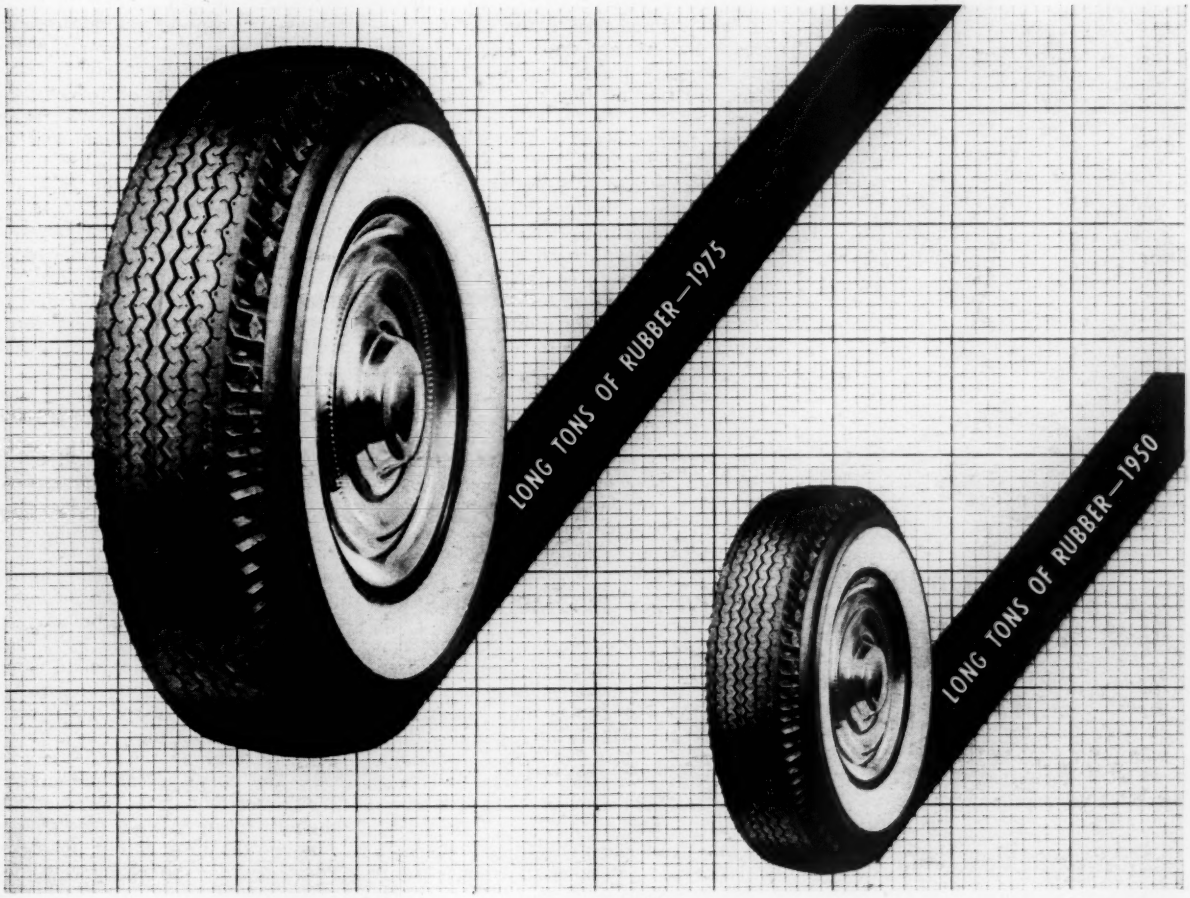
435 Parker Avenue, Dayton 1, Ohio
W. W. SPURGEON, *Manager*

PRODUCTION OFFICE

RALPH M. FRANCISCO, *Manager*
350 Dennison Avenue, Dayton 1, Ohio
Tel. Melrose 9231

All communications relating to news or editorial matters should be addressed to the Executive Offices, 24th & N Streets, N.W., Washington 7, D.C. Tel. District 7-2900. Communications relating to subscriptions should be addressed to Circulation Department, 435 Parker Avenue, Dayton 1, Ohio

How many tons, how many tires...in 1975?



Total demand for both natural and synthetic rubber, nearly two-thirds of which now comes from the automotive industry, should increase from 1,620 thousand long tons to an estimated 3,300 thousand long tons in 1975—an increase of 110%*.

This estimate is based on the motor transportation needs of America's expanding population. The use of rubber for other industrial equipment and consumer products is growing at an even faster rate.

Vital to business success is a banking arrangement flexible enough to take care of short and long term requirements . . . adaptable to unusual opportunities.

The Bank of New York, with 171 years of commercial banking experience, continues to meet the banking needs of tire and rubber manufacturers as well as corporations in the automotive, shoe, furniture and other industries dependent upon rubber.

The knowledge and facilities of the Bank are geared to the competitive needs of corporations in to-day's expanding economy.

*Estimate taken from *A Report to the President by The President's Materials Policy Commission*

THE BANK OF NEW YORK

New York's First Bank • Founded 1784

Member Federal Deposit Insurance Corporation

Main Office: 48 WALL ST. ☆ Uptown Offices: 513 FIFTH AVE. ☆ MADISON AVE. AT 63rd ☆ MADISON AVE. AT 73rd

(Temporary During Construction)

To the most important man we know...

the man who MUST have shipments on time!

If you or your customers sometimes have to wait days—or even hours—for goods or parts that can start making money *only* after they arrive, you should find out NOW about the new Slick Overnight Service between major cities.

SLICK saves days compared to Railway Express

SLICK saves ½ to ⅔ the cost of Air Express (50 lb. and up)

The new Slick serves over 30 cities, coast to coast. Check your phone book; our representatives can probably show you how to save time at little or no extra cost.

Have your Shipments sent SLICK AIR FREIGHT

SPEED • ECONOMY • DEPENDABILITY

SLICK

The Certificated Scheduled Air Freight Line

For rates and schedules write Slick Airways, Inc., Burbank, Calif.

The March of the News

SPEEDY SPENDING

PRESIDENT EISENHOWER got $3,285,000,000 in foreign-aid funds, and the Defense Department got a tongue lashing as Congress drafted spending plans for the year starting July 1.

Attached to the aid bill was an amendment that prevented Defense officials from carrying over into the new fiscal year more than 200 million dollars in "unobligated" foreign-aid funds.

As the measure was moving from Senate to House and back again, Pentagon officials moved faster. In June they obligated—or committed for spending—nearly a billion dollars of unspent foreign-aid funds. During the last 24 hours before the fiscal year ended, 575 million was obligated.

Senator Mike Mansfield (Dem.), of Montana, author of the amendment, was furious. Calling for an investigation, he said: "My amendment was not designed as an invitation to reckless last-minute obligation of funds. It was not an invitation to financial gyrations."

NAVY PROMOTIONS

THE NAVY WAS PLANNING some more "surprise promotions." President Eisenhower had reached down to the 93d name on the list of line admirals to choose youthful Rear Admiral Arleigh A. Burke as Chief of Naval Operations. Now Navy Secretary Charles S. Thomas gave another hefty blow to the traditional seniority system.

As a selection board sat down to choose 31 rear admirals from a list of 1,600 captains, Secretary Thomas outlined the new criteria to be applied. Brilliant young men and officers who have specialized in technical fields should have a chance at the promotions, he said. Seniority alone was not enough.

Naval officers have tended to shy away from long stretches of "specialized duty" in such fields as intelligence, nuclear power, electronics and guided missiles in the past. Command of a major ship has been the main experience criterion. These days, the Navy Secretary pointed out, there are not many big ships in the Navy for officers to command.

FBI IN MEMPHIS

THE SIMMERING Dixon-Yates controversy came briefly to a boil again. The Government had a contract with a private firm, headed by Edgar H. Dixon and Eugene A. Yates, for a steam-power plant to be built near Memphis, Tenn. City officials there were planning to build a plant of their own. The President had called for an inquiry to decide if the Federal contract should be canceled.

Then came the fireworks. Attorney General Herbert Brownell, Jr., directed the Federal Bureau of Investigation to find out whether Memphis really intended to build a municipal plant. Democratic Senators labeled the move a "shocking misuse of the FBI" and "a police-state Gestapo act."

Memphis Mayor Frank Tobey was unperturbed. The city, he said, would put up 5 million dollars as a "definite commitment" to build the plant. And he assured members of Congress that city officials had no objection to an FBI inquiry.

A UNITED EUROPE?

WESTERN EUROPE was feeling the pressure of the "coexistence" drive. In the Council of Europe, which provides a forum for West European opinion, British Foreign Secretary Harold Macmillan and French Foreign Minister Antoine Pinay were sounding a new note. They were suggesting a broader Council of Europe, which would have room for the East European satellite states as well as the Western democracies.

Mr. Macmillan asked: "Are our regulations governing the type of new member who may be selected too onerous? . . . The possibility of new associations should not by any means be rejected in the near future. Even if they are not possible in the near future, who can tell what may be the changes which time may bring?"

NO "CIVIL" DEFENSE?

WHILE U. S. CIVIL-DEFENSE OFFICIALS experiment with mass evacuation, Great Britain's Government is close to scrapping "civil" defense altogether. The problem, British experts believe, is a military one.

British plans call for 48 Army battalions of 600 men each, to be stationed around the country, well clear of likely nuclear targets. If nuclear attack comes, these expertly trained Army units will move in with fire trucks and ambulances, Geiger counters and respirators.

As for the 330,000 registered CD volunteers in Britain—mostly holdovers from World War II—they will be used, if at all, as a supplementary force. But the Government is assuming that most local CD workers will become casualties if an H-bomb attack comes.

Drivers are always within earshot with Bell System mobile facilities

You get the most efficient use of company vehicles when you can reach your driver directly by telephone at any time. The Bell System offers several types of Mobile Radio arrangements.

General Service: Your fleet can be reached from any telephone. Also, your drivers can call any telephone reached by the Bell System.

Dispatching Service: Your dispatcher can talk to any units in your fleet.

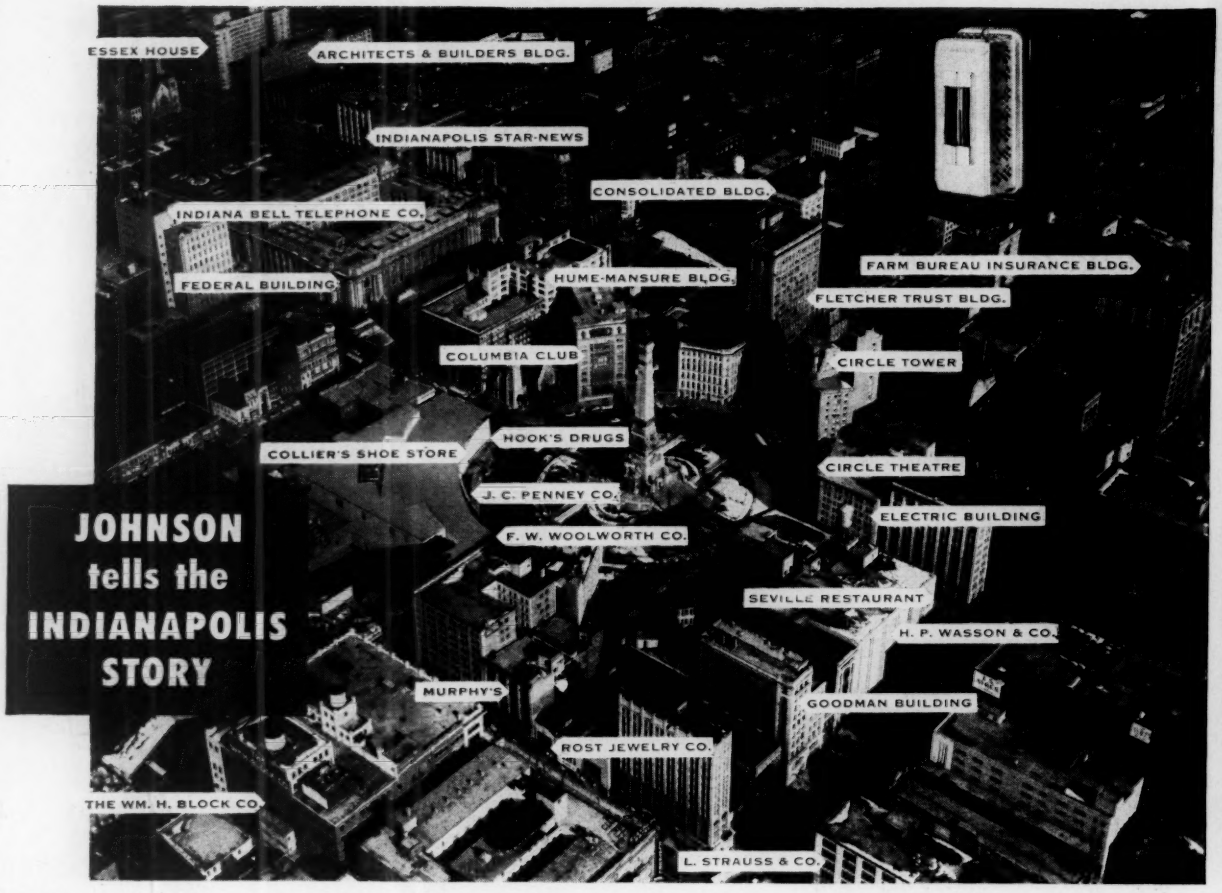
Signaling Service: Your drivers can be signaled over this one-way service and carry out any prearranged instructions, such as calling your office from a public telephone.

Private Mobile Systems: Radio equipment will be provided and maintained for eligible radio licensees. You get the advantages of Bell System engineering, installation and maintenance experience.

Mobile communications can be engineered to meet your specific requirements. For a free survey of your needs, simply call your Bell Telephone business office.

BELL
TELEPHONE
SYSTEM

TELEPHONE TELETYPEWRITER MOBILE RADIO



If you are planning a new building or a modernizing program, here are two important requirements you'll want to insist on:

(1) Ideal temperature conditions;

(2) Waste-free operation of your heating, ventilating or air-conditioning system.

Johnson Automatic Temperature Control satisfies both requirements equally well. So *exceptionally* well, in fact, that you'll find it in the majority of all the leading buildings in the nation!

OFFICES, STORES, SCHOOLS, HOSPITALS

In Indianapolis, for example, all of those above and most of the other important buildings depend on Johnson Control. Of 19 major office buildings with automatic temperature control systems, 16 have Johnson Control. Of the 5 older office buildings now being air conditioned, 4 will have Johnson Control!

There is comfort control by Johnson in 4 of the 5 leading department stores... in numerous chain, variety and apparel stores ... in a majority of the schools ... in theaters, churches, restaurants, printing plants ... in leading hospitals, including most of the buildings at Indiana University Medical Center!

FACTORIES, PUBLIC BUILDINGS

The varied temperature regulation problems of Indianapolis industrial plants are also solved with precision by Johnson. Eli Lilly and Company, Radio Corporation of America, Western Electric Company, Kingan & Co., P. R. Mallory & Co., Inc., and United States Rubber Company are among the many well known firms that rely on Johnson Control.

Other outstanding buildings with Johnson Control include the Indiana War Memorial, National Headquarters of the American Legion, Central Library, Adjutant General's School, Army Finance Center, Union Station, the impressive new Garfield Park Conservatory, Indianapolis Athletic Club and many others.

YOUR OWN BUILDING

To be sure you get the *right* temperature control system for your own building—one that will insure ideal temperatures and minimize operating costs—turn the job over to the specialist Johnson organization. *Johnson originated the idea of individual room temperature control over 70 years ago and today offers you more specialized experience than anyone else!*

An engineer from a nearby Johnson branch will gladly give you his recommendations without obligation. Johnson Service Company, Milwaukee 2, Wisconsin. Direct Branch Offices in Principal Cities.

JOHNSON CONTROL

TEMPERATURE AIR CONDITIONING

PLANNING • MANUFACTURING • INSTALLING • SINCE 1885

Newsgram®

24th and N Streets, N.W.
Washington, D. C.

There's White House concern now about inflation revival, about stock-market exuberance, about the rate at which people are going into debt.

What you can expect, as a result, is some gentle restraint.

Buying of stocks, gradually, is to move toward a cash basis. Buying on margin, use of credit for stock purchases, is likely to be tightened more.

Mortgage money already is a bit harder to get, a bit more expensive.

Highway building, public-school building with federal aid are to be pushed less hard. There is less urgency in the White House demand for action.

Tax cutting, too, is being viewed in a different light.

There'll be tax cuts next year, but, if present trends continue, chances are that any big cuts will meet White House and Treasury resistance.

Inflation of this period is more in private credit use, not in prices. Wage-rate inflation still is going on. Prices, as well, in some cases are being marked up. A broad rise in prices, however, seems improbable.

Installment credit, mortgage credit show the most present inflation. Stock-market credit appears to be only moderately large in total. Prices of stocks in many cases reflect a much inflated appraisal of worth.

The kind of spiraling price rise in things that people need to live is not the present official worry. It's other kinds of inflation.

Most goods, in fact, are superabundant at present prices. Food is in oversupply, with price trends down. Clothing is available to meet any demand now in sight. Automobile inventories never were so large as now. Refrigerators, TV sets, appliances of all kinds can be turned out at a rate far in excess of present demand, high as that demand is.

New houses and older houses, too, are beginning to be in oversupply. Apartments are so abundant that apartment rents often are being marked down.

Price inflation does not thrive under those conditions.

Stock-market prices, stock speculation are something else again.

Stocks, often, are at levels that suggest a need for investors to be wary. Stock prices, on an average, relative to earnings and dividends, are not far from levels that have signaled danger in past bull markets.

Average prices of stocks on the Dow-Jones industrial list rose 58 points, or 14 per cent, in seven weeks. That's moving awfully fast. Stock prices on this list, at their recent high, were selling on an average at 14 times the probable 1955 earnings. In 1929, stocks sold at 19 times earnings. In 1937, they sold at 16.9 times earnings. In 1946, they sold at 15.6 times earnings.

 (No part of this or any other page may be reproduced without written permission)

Stock-market levels, in other words, have been higher relative to their earnings before the top was reached in other bull markets. It's just that there's been a very rapid rise and that some stocks rose much faster than the averages. Investors at this point need caution and good advice.

Business itself is leveling out; is unlikely to rise more before autumn. Business activity, profits, dividends, all will break records this year.

Business prospect suggests still higher activity in first half of 1956, then some uncertainty. Odds are that trends will be moderately downward late in 1956. Arms cuts may take on more importance as war threats subside.

Auto outlook, residential building are things to size up too. The home-building boom is beginning to slow down.

As Ford sizes up the 1955 auto output: First-half output: 4.2 million new cars and trucks. Second half: 3 million. That's a sharp decline.

But, breaking it down: Third quarter: 1,250,000 units. Fourth quarter: 1,750,000 units as the new models start to roll.

Production cutback, now under way, is not to result in large layoffs. Overtime, instead, will be cut, with employment rolls relatively stable.

When it comes to the Government's finances, in terms of cash:

Cash spending for year ended June 30 was 69.9 billions. Cash income was 67.8 billions for the same period. Cash deficit was 2.1 billions.

For the year started July 1: Cash spending is likely to be cut to 68.2 billions. Cash income, with present taxes, is likely to rise to 70 billions. Cash surplus thus will be 1.8 billions on the basis of the outlook now.

The Government's finances, in other words, are getting to be in fairly good shape. Government, however, on balance is not underwriting the boom in business. In the year ahead it will take in more than it pays out.

Some kind of new military-training plan, supplemental to the draft, is likely to be approved by Congress before it goes home. Draft itself is to go on for another four years. That's set. What's in the works is a plan to open the door to six months' rather than two years' service for a limited number of youths each year. You get details of that plan on page 36.

Communist countries, at this point, are in a very bad way.

The Communist trouble: Industrial growth is lagging behind that of U.S. and the West in terms of actual physical output. Arms output, too, is not keeping up with the expansion in U.S. and the West. Communists, as a result, see the balance of military power slipping away from them.

What to do? Step up arms and it must be at the expense of already low living standards. Cut living standards further and forces of revolt grow.

Talk peace, slow the arms race, gain time--even get help from U.S. and the West. Why not? That's the new tack, the new Communist play.

Choice for U.S.: Give them a shove--or play along.

Odds are strong that this country will play along, that the Communists will get a breathing spell, even that they will be given loans with which to build up their lagging industries, with which to get set for war later.

People everywhere seem in a mood for peace, quiet at almost any price.

 (No part of this or any other page may be reproduced without written permission)

straight to the point

General Telephone System serves growing communities in the 21 state areas shown above in green.

Our subscribers demand the best in modern, low cost telephone service. They get it.

Our employees look for security, opportunity. With the nation's fastest growing system, they have it.

Our shareholders want fair returns on their investment. Their faith has been justified.

Here's service and enterprise working together in the public interest. Building a better America through better communication.

GENERAL TELEPHONE SYSTEM

One of America's Great Telephone Systems

260 MADISON AVENUE, NEW YORK, N.Y.

Washington Whispers®

[Items appearing on this page are reported in Washington and other news centers]

At Big 4 Meeting: No Money or Military Deals . . . Aide Still Says Ike Will Run . . . Ground Troops to Leave Japan?

President Eisenhower is pictured by White House aides as taking a greatly increased interest in the details of foreign policy and is acting to some extent as his own Secretary of State.

★ ★ ★

Neither Mr. Eisenhower nor John Foster Dulles, Secretary of State, is putting trust in India's V. K. Krishna Menon as a go-between in arranging deals with the Communists. Mr. Menon is striving for the role of middleman between the top men of the Communist and non-Communist worlds. The catch is that he's known as a partisan of the Communists.

★ ★ ★

U Nu, Burma's Premier, got his idea that the United States no longer really opposes admission of Red China to the United Nations through his talks with high-ranking American diplomats. Those diplomats are known to predict openly that this policy change will follow the 1956 elections, with recognition by U. S. of two Chinas and with the Security Council seat of Nationalist China to go to India.

★ ★ ★

Ike is planning to take no military representative and no Treasury representative with him when he meets with the Soviet's Premier Nikolai Bulganin on July 18. This is taken to mean that there will be no military deals and no money deals arranged.

★ ★ ★

In spite of a presidential admonition against second-term talk by members of the White House staff, one of the Eisenhower aides has just remarked privately: "As sure as I'm standing here, Ike will run again."

★ ★ ★

The President is being told by his economic advisers that Government policies now should be geared to put a check on forces of inflation, not to worry about the forces of deflation as they were doing a few months ago. Commented one: "We now are entering a new period of economic testing and it will be interesting to see how the dollar meets that test."

★ ★ ★

Herbert Hoover, former President and chairman of the commission that has studied how to improve Government efficiency and reduce waste, is not getting wholehearted support from White House staff members for many of his recommended actions. There is a tendency to go slow in cutting out any important Government functions.

★ ★ ★

Nelson Rockefeller, Special Assistant to the President, could have the Cabinet job of Secretary of Health, Education and Welfare as successor to Oveta Culp Hobby, but expressed a desire to keep his White House job instead. Mr. Rockefeller had been deputy to Mrs. Hobby before going to the White House.

★ ★ ★

Adm. Arthur Radford, Chairman of the U. S. Joint Chiefs of Staff, is being pressed by the Department of State to agree to withdrawal of U. S. ground troops from Japan. It is held that their presence is an irritant to the Japanese. Only Air Force units would remain to aid in defense.

★ ★ ★

Charles E. Wilson, Secretary of Defense, is philosophical about the fact that he would be 2.5 million dollars better off today than he actually is, had he not taken his Cabinet job in January, 1953. The 40,000 shares of General Motors stock that Mr. Wilson was required to sell in order to work for the Government has gained that much in value since the sale.

Sam Rayburn of Texas, House Speaker, is continuing to direct over-all Democratic strategy in Congress—both for the Senate and House—as he did before the illness of Senator Lyndon Johnson, Senate Majority leader.

★ ★ ★

Juan Perón, Argentine President, seems to have come out second best in his fight with the Roman Catholic Church. President Perón has fired three high officials who were assigned to lead the attack on the Church. These officials were long-time associates of the Argentine leader.

★ ★ ★

George Humphrey, Secretary of the Treasury, is pressing Arthur Flemming, Director of Defense Mobilization, to cut down sharply on approval for applications from industry for fast tax write-offs of new plant and equipment. The Treasury is concerned by the amount of revenue being lost currently because of large depreciation allowances.

★ ★ ★

Syngman Rhee, President of South Korea, is dragging his heels on U. S. suggestions that he agree to better relations with Japan. President Rhee is pictured as convinced that Japan intends at the first opportunity to try to reconquer Korea.

★ ★ ★

R. A. Butler, Britain's Chancellor of the Exchequer, has no intention of devaluing the British pound, in spite of renewed rumors to that effect.

★ ★ ★

While talk is of peace, Communist China is continuing to push development of airfields both in North Korea and on the mainland opposite Formosa. The feverish airfield construction in North Korea is in violation of truce terms.

SUNOCO'S "SHIRTSLEEVE" REPRESENTATIVES

Sun Oil Representatives loosen their white collars ...help solve industrial petroleum problems

Does your plant use an industrial lubricant? ...a process oil? Your Sun Representative is ready to roll up his sleeves and go to work for you.

And he is not the only one! He is backed by technical men and engineers who have spent years specializing in the use of petroleum products in every industry...chemical, rubber, metalworking, power, transportation... to name a few. These specialists, too, are ready to roll up their sleeves and go to work for you.

Whatever your industry, if you use petroleum products, your Sun Representative can offer you a wealth of "shirtsleeve" experience...to help you increase production...reduce costs ...and increase profits. See him the next time he calls.

Watch your industry's trade magazine to see how Sun Industrial Petroleum Products help serve your industry.

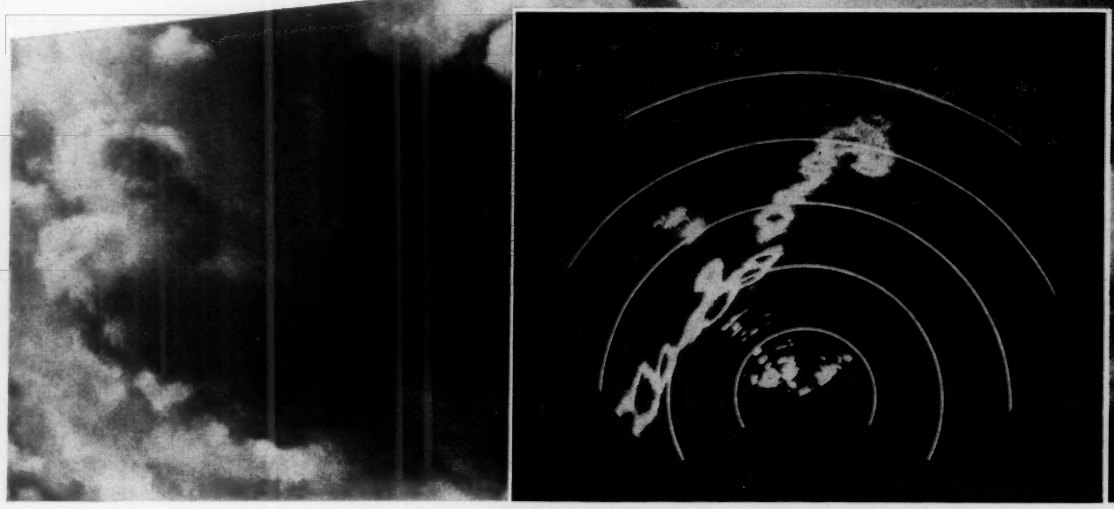
SUNOCO®

INDUSTRIAL PRODUCTS DEPARTMENT

SUN OIL COMPANY PHILADELPHIA 3, PA.

IN CANADA: SUN OIL COMPANY, LTD., TORONTO AND MONTREAL

FLY THE SAFER, SMOOTHER COURSE WITH Bendix STORM-AVOIDANCE RADAR



Actual storm ahead as pilot sees it on radar scope. It indicates that, by changing course very slightly to the right, he will find a smooth, storm-free route.

This great safety device gives a to executives who fly in b

YOU heads of companies which own and operate their own airplanes for executive use should take a very serious look at the safety advantages of new Bendix storm-avoidance radar.

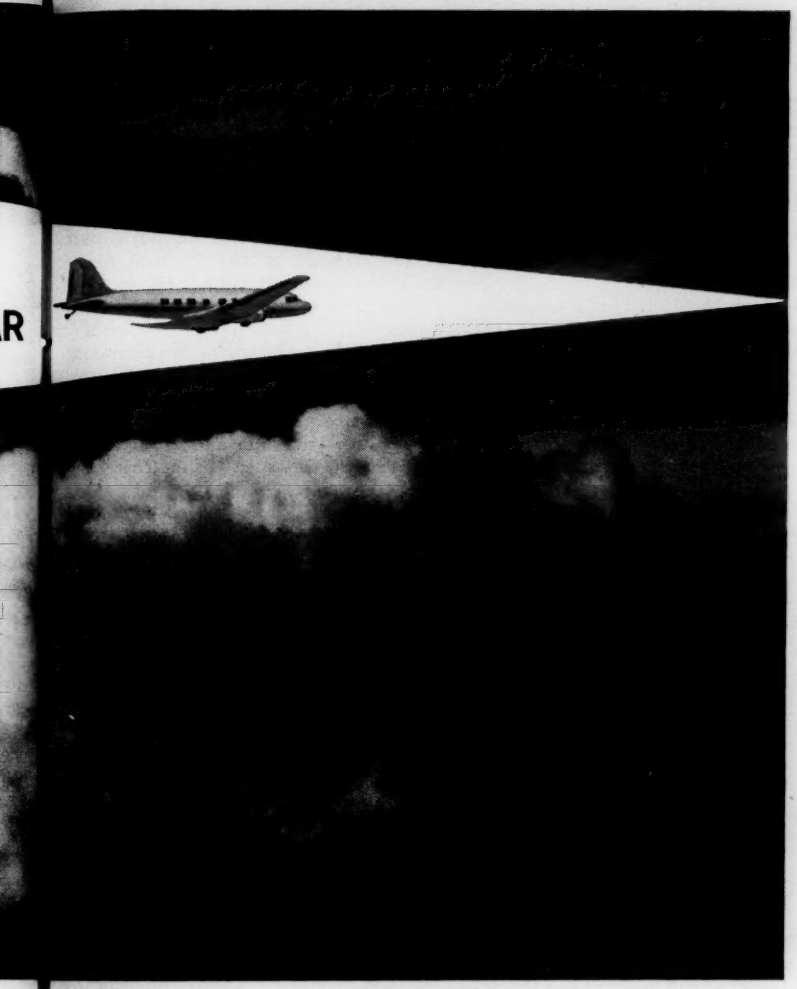
Over and beyond the obvious value of human life, the *business* value of a plane-load of top executives is almost impossible to reckon. So anything you do to increase the safety factor in your company plane is a very sound investment.

Equipping it with Bendix storm-avoidance radar is a definite safety measure. Airline pilots and military fliers who have flown millions of miles with Bendix radar say it's the greatest thing to come along in years!

What it does is see storms your pilot cannot see . . . night or day . . . as far as 150 miles ahead. It pictures these storms in detail on a radar screen in the cockpit so your pilot can confidently decide what to do—skirt the storm or fly through it if the radar shows a clear passageway.

Storms are not always turbulent from edge to edge. There are often safe, smooth corridors through them but, up to now, pilots have had to be guided by what they could see with their own eyes.

Bendix storm-avoidance radar also differentiates



added protection business aircraft!

between hail and rain. If you have ever seen an airplane after it has tangled with a bad hailstorm or had to foot the repair bill, you will appreciate this great advantage. It also acts as a navigational aid. Even in fog or heavy overcast it can see rivers, mountains and the outline of the terrain below.

Because of its added safety value to your executives the Bendix* Airborne Radar System belongs in every large executive-type aircraft. Write for the booklet "Bendix Airborne Radar Systems" or contact the General Manager, Bendix Radio Division, Baltimore 4, Maryland.

THE NAME **Bendix** AVIATION CORPORATION MILLIONS TRUST

PRINCIPAL DIVISIONS AND BASIC PRODUCTS

BENDIX RADIO, TOWSON, MD.
radar; auto, railroad, mobile and aviation radio; television.

PACIFIC, NORTH HOLLYWOOD, CALIF.
telemetering equipment; hydraulic and electric actuators; depth recorders; boat steerers.

PIONEER-CENTRAL, DAVENPORT, IOWA
aviation components; oxygen equipment; ultrasonic cleaners.

CINCINNATI, CINCINNATI, OHIO
automatic viscosity regulators, nuclear products.

BENDIX PRODUCTS, SOUTH BEND, IND.
automotive brakes, carburetors, power steering; aviation brakes, landing gear, fuel metering; guided missiles.

ECLIPSE MACHINE, ELMIRA, N. Y.
bicycle coaster brakes, Stromberg carburetors, electric fuel pumps, starter drives; jet engine nozzles; textile bobbin holders.*

ECLIPSE-PIONEER, TETERBORO, N. J.
automatic flight systems; airplane and engine instruments; flight and navigation instruments; components for servo-mechanism and computing equipment; stabilization equipment; foundry products.

SCINTILLA, SIDNEY, N. Y.
aviation ignition systems; industrial engine magnetos; diesel fuel injection; electrical connectors; ignition analyzers.

RED BANK, EATONTOWN, N. J.
electron tubes; dynamotors; inverters; AC-DC generators.

KANSAS CITY, KANSAS CITY, MO.
operated for the Atomic Energy Commission.

RESEARCH LABORATORIES DIVISION, DETROIT, MICH.
engineering research.

ZENITH CARBURETOR, DETROIT, MICH.
automotive, marine and small engine carburetors.

BENDIX-SKINNER, DETROIT, MICH.
micronic filters.

BENDIX FRIEZ, TOWSON, MD.
meteorological instruments, precision instruments and recorders.

MARSHALL-ECLIPSE, TROY, N. Y.
brake blocks, brake lining, synthetic resins.

BENDIX COMPUTER, LOS ANGELES, CALIF.
digital computers.

HAMILTON, HAMILTON, OHIO
jet engine controls and aircraft pumps.

LAKESHORE, ST. JOSEPH, MICH.
power steering and automotive devices.

UTICA, UTICA, N. Y.
aviation components.

MONTROSE, SOUTH MONTROSE, PA.
aviation components.

YORK, YORK, PA.
electronic devices; test equipment.

BENDIX-ECLIPSE OF CANADA, LTD.
Windsor, Ont.

BENDIX INTERNATIONAL
New York City

AIRCRAFT PRODUCTS DIV., TORONTO, ONT., CAN.
aviation components; radar; electro and hydro-mechanical servo mechanisms.

BENDIX AVIATION CORPORATION
Fisher Building • Detroit 2, Michigan

*REG. U. S. PAT. OFF.

PEOPLE ★ ★ ★

® OF THE WEEK

› AVERELL HARRIMAN is acting more and more like a man with a yen to become President. The Governor of New York has said that his choice for the Democratic nomination in 1956 is Adlai Stevenson. But many believe Mr. Harriman's actions give away the secret that he considers himself "available."

Spurring the Harriman boom is the man who will control New York's big bloc of 96 votes at the Democratic National Convention, Tammany Hall Chieftain Carmine G. DeSapio. He has endorsed the Governor as a bona fide candidate for the big prize—not just a "favorite son"—and is quietly seeking support among Eastern Democratic leaders.

Mr. Harriman is enjoying his first elective office, his previous high positions in Democratic Administrations having been appointive. At 63, he is working harder than ever before; has sharpened his speechmaking technique; accepts all invitations that permit him to speak out on national or international issues. He is now in Europe on a four-week trip to renew old acquaintances with governmental and political leaders of the Western nations.

A tip-off on Mr. Harriman's ambitions came in a speech to a New York audience not long ago. He said: "I just can't keep my eyes off Washington."

› A NEW PREMIER of Italy faces the same worrisome problems that harassed his six predecessors in the postwar Republic—dissension within the ranks of his supporters and unrelenting opposition from the Communists and left-wing Socialists.

Nevertheless, **Antonio Segni,** a Christian Democrat, can be expected to steer Italy along a course of firm alliance with the West and close ties with the U. S. The scholarly, 64-year-old Premier was to get his first test this week on a vote of confidence in the Italian Parliament.

Premier Segni is the first native of Italy's "forgotten island" of Sardinia to become the head of an Italian Government. A lawyer, he was a member of an anti-Fascist group during Mussolini's regime, became Minister of Agriculture in the Cabinet of the Premier Alcide De Gasperi, served from 1946 to 1951. For the last year he has taught law in Rome.

Segni is best known for his promotion of agricultural reforms. Under his program, 1.2 million acres of farm land have been carved out of the great estates of absentee landlords and given to 90,000 landless peasants. Unlike many political reformers, Premier Segni practices what he preaches. A large landowner himself, he has given away 250 acres of valuable olive groves and vineyards in Sardinia.

› A GOVERNMENT SALESMAN with a huge inventory and few ready customers is tackling the job of moving a mountain of surplus farm products into normal trade channels. **Frank C. Daniels** has been named to a post especially created for him in the Department of Agriculture; is charged with the task of getting rid of 7.5 billion dollars' worth

(Continued on page 16)

NEW TROUBLES FOR MR. WOLFSON—A TRANSIT STRIKE

—Wide World

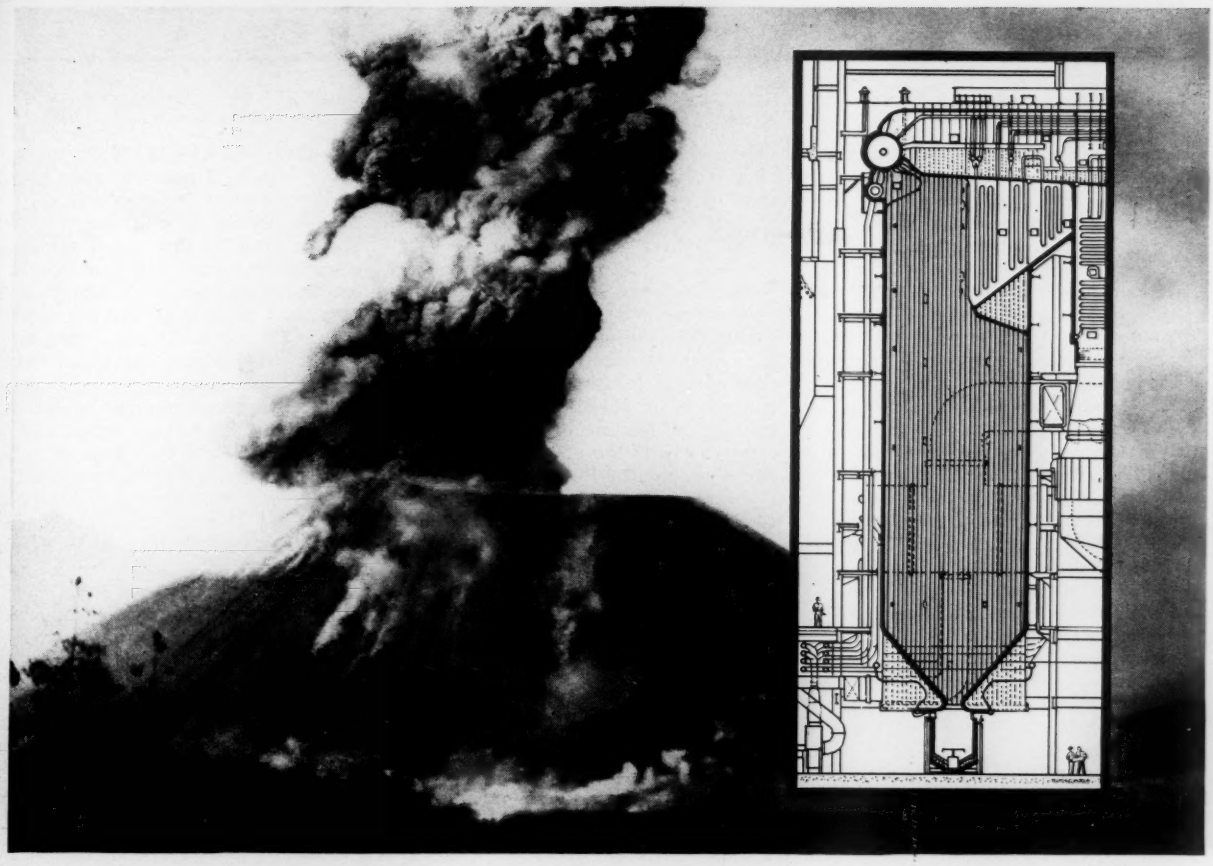
› LOUIS E. WOLFSON was embroiled in his second major controversy of the year—a streetcar and bus strike in the nation's capital that produced the greatest flow of traffic in Washington's memory, piled up cars in king-sized jams. Once known as a "boy wonder," the 43-year-old financier is chairman of the board of the Capital Transit Company, whose 2,400 workers left their jobs in a demand for higher wages, better fringe benefits.

Mr. Wolfson heads a 200-million-dollar industrial empire that includes 17 giant corporations. Earlier this year he was reported to have spent 1 million dollars trying to win control of the billion-dollar mail-order house of Montgomery Ward & Company. In a bitter proxy battle with Ward chairman Sewell Avery, Mr. Wolfson lost.

He has been accused of "milking" Capital Transit of 3 million dollars by distributing its reserve funds to stockholders as dividends. He denies this, says that the former management was "too conservative;" that the money belonged to the stockholders.

In the meantime, the 400,000 customers of the Capital Transit system walked, hitchhiked or used taxis.

—USN&WR Photo

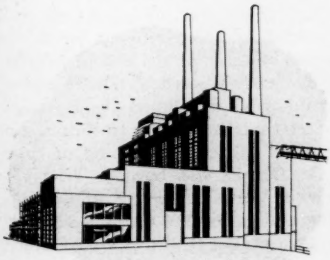


Hot—like a volcano—but wears an overcoat

Inside this giant boiler, *extremely intense and continuous heat* plays a major role in generating electricity for the Walter C. Beckjord Plant—one of three power stations operated by The Cincinnati Gas and Electric Company.

For top efficiency, the flow of intense heat must be controlled to exacting specifications. And that's the vitally important function of Eagle-Picher industrial insulation. It serves as an overcoat for heated equipment throughout the plant—locks in the heat and helps maintain uniform temperatures. As a result, fuel costs are minimized and Eagle-Picher helps this company provide electric power for the community at "the lowest possible cost."

Wherever heat control is important—in power, marine, petroleum, steel or chemical industries—Eagle-Picher insulating products are on the job.



High and low temperature insulations are among hundreds of Eagle-Picher products for homes and broadly diversified basic and growth industries.

Divisions and principal products . . . **INSULATION DIVISION**, aluminum combination storm windows and doors, mineral wool insulations, diatomaceous earth products—**PIGMENT DIVISION**, lead and zinc pigments and oxides—**MINING & SMELTING DIVISION**, zinc, lead, germanium, cadmium—**OHIO RUBBER COMPANY DIVISION**, molded and extruded rubber products—**FABRICON PRODUCTS DIVISION**, automotive products, plastics, waxed paper and cellophane food wrappers. *We welcome opportunities to share our research, production and application experience. Just drop us a line.*

Since 1843

EAGLE EP PICHER

EAGLE-PICHER

The Eagle-Picher Company • General Offices: Cincinnati 1, Ohio

of grains, cotton, dairy products, other commodities piled up by the Government's price-support program.

As general sales manager of the Commodity Stabilization Service, Mr. Daniels hopes to cut red tape, apply proven merchandising principles to empty the Government's storage bins. He is prevented by law from dumping his stocks on the market in direct competition with private enterprise.

Mr. Daniels, at 59, can call upon 30 years' experience in the sale and distribution of agricultural products. He joined the Government last year after 18 years as general manager of the Cooperative Feed Dealers, Inc., of Binghamton, N.Y. He gets $14,000 a year in his new post.

Congress may ease his path by revising some of the restrictions on the sale of U.S. farm surpluses abroad. Mr. Daniels's first big pitch for the foreign trade will be made at a food fair in Cologne, West Germany, later this year.

➤ **THE PRESIDENT OF CHILE,** caught in the web of inflation and widespread strikes, could be heading toward the second big upset of his long political career. **Carlos Ibáñez del Campo** lacks majority support in the Chilean Parliament, keeps changing Cabinet ministers, faces opposition from Army leaders who want a "strong man" Government that would depress prices, wages.

A strike of transport and other workers caught Chile in the midst of a Southern Hemisphere cold wave, left many families without adequate supplies of kerosene, their usual heating fuel. This, coupled with inflation that has sent the cost of living skyrocketing in the last three years, has caused the Government to declare a "state of emergency"; produced a spurt of Communist activity.

President Ibáñez, now 77, ruled his country as a dictator from 1927 to 1931, when he was forced out of office. He fled to Argentina and spent six years in exile. He made a remarkable comeback in 1952, when he was elected to his present six-year term.

Chief antagonist of the Ibáñez Government is Clotario Blest, president of the Central Labor Union. Mr. Blest has visited Moscow as a guest of the Soviet Government; denies he is a Communist. A big prize for the Reds in Chile would be the vast copper mines—main source of strategically important copper imports for the United States.

A WINNER AT GENEVA SMILES IN PEIPING

—Wide World

➤ **HO CHI MINH,** left, could be plotting new Red aggression in Southeast Asia as the Big Four heads of government pack for their Geneva meeting. The President of Communist North Vietnam has been visiting Red China's **Premier Chou En-lai** in Peiping, goes next to Moscow.

The Russian-trained Ho, about 62, looks like an Oriental scholar, with his frail physique and wispy beard. He led the fight against the French in Indo-China for seven and a half years, won control of the northern half of his country at the conference tables in Geneva last year.

➤ **A WOMAN REPORTER** for the Soviet news agency, Tass, was missing from her usual beat in Washington. There was something of a mystery about the sudden firing of **Mrs. Jean Montgomery,** an American, who had worked for the Russians since 1939, reporting congressional news and press conferences of the President and other officials.

Mrs. Montgomery dealt out a "No comment" to queries about the removal of her name from the list of accredited correspondents. A Tass spokesman said her dismissal was the result of a "general reduction of staff."

The Tass reporter enjoyed privileges envied by American newspapermen in Moscow, who can't get near the Kremlin as a rule. In the Senate press gallery, she had a private telephone to the Tass office. At news conferences she received the same courtesies as all other correspondents—a fact that nettled some but was defended by others as in the American spirit of freedom of the press.

Her departure left the Tass agency with two full-time correspondents in Washington—both Russians. Georgi N. Bolshakov, chief of the bureau, has been in the capital about a year. The other is Vladimir P. Paramonov, a newcomer.

➤ **A ROCKET EXPERT** who rebuffed Soviet bids for his services is now helping the U.S. develop guided missiles that are expected someday to span continents and oceans.

Hermann Oberth, known to his fellow space scientists as the "dean of spaceflight research," is working at the Army's supersecret Redstone Arsenal in Huntsville, Ala. The 61-year-old theoretical physicist came to this country recently from West Germany, where he had been completing some research work.

At Redstone, Dr. Oberth will work with some 100 other former German rocket scientists, many of whom have obtained U.S. citizenship since coming to this country at the end of World War II. They are headed by Dr. Wernher von Braun, who developed the German V-2 rocket that threatened to flatten London in Adolf Hitler's final fling of fury.

Dr. Oberth was born in Transylvania, now a part of Soviet-dominated Rumania. His studies in physics led him, in 1923, to write "Rocket to Interplanetary Space," regarded as the pioneer work on liquid-fueled rockets. Both Russia and the West have sought his services since the war's end. There have been reports that the U.S. lags behind the Reds in rocket research. Army ordnance men look to Dr. Oberth to help put an end to such speculation.

Power aplenty 'til the pond ran dry

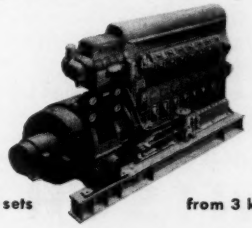
That was the complaint in the days of water-wheel power—and still is today.

In every season, water shortages force large areas to curtail power usage . . . storms tear up vast power networks . . . solid fuel shortages bring with them power rationing.

In many cases, a single power failure can cost you more than the installed price of a dependable Fairbanks-Morse Diesel Generating Set! In addition, there are day-to-day savings with in-plant power: eliminate power factor penalties, add to current capacity as load increases, reduce peak demand values for lower purchased power rates, and often lower insurance rates.

We'll gladly send you more information or survey your plant's power requirements without obligation. Why not find out about In-Plant power generation today—*before* power fails you?

Fairbanks, Morse & Co., Chicago 5, Ill.



F. M. Diesel Generating sets from 3 kw. to 1700 kw. capacity

FAIRBANKS-MORSE

a name worth remembering when you want the best

DIESEL AND DUAL FUEL ENGINES • DIESEL LOCOMOTIVES • RAIL CARS • ELECTRICAL MACHINERY • PUMPS • SCALES • HOME WATER SERVICE EQUIPMENT • MOWERS • MAGNETOS

7 welders in 1

THE NEW P&H DA-200 AND DA-300

. . . the first and only machines to give you AC or DC at the flip of a switch *plus* instantaneous Dial-lectric heat control.

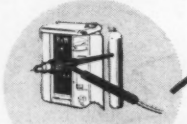
LOOK *at all the ways you can use these versatile machines*

METALLIC ARC DC STRAIGHT OR REVERSE

Make fast, economical DC welds. Either polarity you need for your job, a full welding service range, and Dial-lectric Control for instantaneous, stepless-heat adjustment through the entire range, as easily as tuning a radio.

METALLIC ARC AC

Flip a switch and you're welding with AC — as easily as you'd turn on a light. If your weldor, working on an inside corner, starts to get arc blow, he just switches to AC. The arc blow disappears. Operates on any 230/460 volt 50/60 cycle SINGLE phase line. Instantaneous heat adjustment—at the work.



HELIARC* DC STRAIGHT OR REVERSE

Heliarc* shields the arc with inert gas to make easy work of joining non-ferrous and ordinarily "hard-to-weld" materials. Automatic high frequency control with a preset shut-off timing device is built-in. Also built-in automatic gas and water shut-off control.

HELIARC* AC

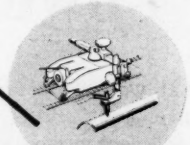
Also ideal for AC welding with inert gas. Gives you AC or DC at your fingertips, built-in automatic gas and water shut-off control, Dial-lectric Control for instant heat selection.

AUTOMATIC HELIARC* AC OR DC

Preset, automatic time delay (2 seconds to 2 minutes), built into the DA-200HF-GW or DA-300HF-GW, keeps water and gas flowing for a given time after the arc is broken. Prevents electrode contamination for clean, sound welds every time. You get an instantaneous arc without touching the electrode to the work — an essential in Automatic Heliarc* Welding.

SIGMA WELDING UNIT

Use the DA-200HF-GW or DA-300HF-GW equipped with Linde* Sigma Welding Equipment, and you can weld aluminum, stainless, copper base alloys, etc. at speeds up to 550 inches per min.



SPOT WELDING AC OR DC

The DA-200HF-GW or DA-300HF-GW also can be used with the Linde* Spot Welding Torch. Control equipment is built right into the welder. Mild steel, low alloy, or stainless steel .030" to .064" can be spot-welded quickly and easily in from one to two seconds per spot.

See your P&H representative or distributor or write

HARNISCHFEGER

Milwaukee 46, Wisconsin

*Trademark of Linde Air Products Co.

WHY COMMUNISTS TALK PEACE

Starved for Trade . . . Food Short . . . Workers Restive

Insiders, examining Moscow's sudden yearning for peace, find this—

Soviet world, after 10 years of "cold war," is in a real mess.

West, after the same 10 years, is stronger than ever, harder for Reds to push around.

Russia and the satellites are lagging in the race for food, trade, industrial growth, stability of all kinds. The people are restive, getting short of patience.

Moscow needs a stretch of relaxed quiet, an "era of good feeling," to patch things up. Bluster and war threats didn't work. Now peace will get a trial run.

Nikita S. Khrushchev, the No. 1 man of Communism, now is revealing by indirection why it is that the Soviet Union today talks peace, not war.

The reasons, in simple form, are these:

• Communism, as a system, is not working as Communists expected. Farmers are resisting so that food is short. Industry is failing to keep up with the expansion of industry in the non-Communist West.

• Living standards of people in Communist countries have failed to rise in a way comparable to those in non-Communist countries. Standards of living in satellite nations are far below what those nations once could provide.

• People, as a result, are restive, discontented. As time goes on, without a breathing spell, the Communist empire is likely to find itself deeply in trouble with its own subjects.

• With food short, and industry lagging, the balance of military power—both potential and in being—is starting to tilt against the Communists.

Official view. John Foster Dulles, U. S. Secretary of State, expresses it this way:

"My analysis of the whole world situation is that the Soviets are overextended; and now they are seeking for new policies; policies which will grant them some respite against strains which they have been under in trying to do all of the things which they have felt they needed

KHRUSHCHEV TIPS HIS HAND, SHOWS SOVIET'S REAL WORRIES

"We want an agreement on an honest basis. Some people would like to wait until our legs are broken. There will be no such time. That is a fantasy of stupid people. . . . We are not going to Geneva with broken legs. We are going upright like soldiers to meet with worthy partners. And that is the only right way.

"If we talk on an equal basis—all parties—and if the talks are honest and sincere, equal to equal, something will come of it. . . . We are delighted to go to Geneva, but if you don't want to talk seriously we can wait and hold on. . . .

"If you want to wait until we don't have any rain, that moment will never come. There are even people who think it is necessary to wait for discussions with the Soviet Union until the time when they can [sell] wheat. But this is useless, because we shall get by on our own wheat. . . .

"I told you [this] because there is still time to think. If we go to Geneva as merchants, then there is no reason to go."

[The foregoing are remarks of Nikita S. Khrushchev, First Secretary of Russia's Communist Party, at a Fourth of July reception at the American Embassy in Moscow, as reported by the New York "Times" and Associated Press.]

FAMINE: Crisis Behind The Iron Curtain

COMMUNISTS' NO. 1 PROBLEM:

Food is desperately short.

Farm plan, aimed at bigger output, is a failure.

TEMPORARY SOLUTION:

Buy food from other countries.

Meat imports are way up. Russia alone bought 7 times as much in 1954 as in 1953.

Fish imports are being increased.

Butter is being bought in considerable quantity.

BUT:

People in Communist countries still don't get enough to eat. And:

These countries can't sell enough goods abroad to pay for the food they import.

Grains, big export item, are scarce. Sales abroad are off sharply, and some Communist countries are importing grains from Western Europe.

RESULT:

Soviet bloc is in real trouble—can't produce the food its people must have, and can't go on paying for food imported from other countries.

© 1955, By U. S. News Pub. Corp.

to do in order to keep up with the pace which has been set by the free world. . . .

"They have been constantly hoping and expecting our economy was going to collapse in some way, due to what they regard as the inherent defects in the capitalistic system, or due to over-expenditures, and the like. On the contrary, it has been their system that is on the point of collapsing and our system is going along strong and vigorous, and able to maintain that contrast between the two—our society strong and vigorous, able to do this kind of thing, and constantly the people of the free world becoming stronger, whereas they are over-expanded, unable to meet their commitments, even if they meant to meet them.

Signs of the troubles of Communist countries are breaking out all over.

Poland, once a large exporter of wheat, now is buying wheat in Canada. Hungary, another European granary before the days of Communist control, is making soundings in Canada's markets in search for grain. Inside Hungary, the political situation is reliably reported to be simmering near the revolt stage. Czechoslovakia wants to buy butter from the non-Communist world. Russia is starting now to buy meat in France and has bought sugar heavily from Cuba. There is famine again in large areas of China.

Hunger is a problem all through the Communist empire. It is against that background that the latest words of Mr. Khrushchev are being read.

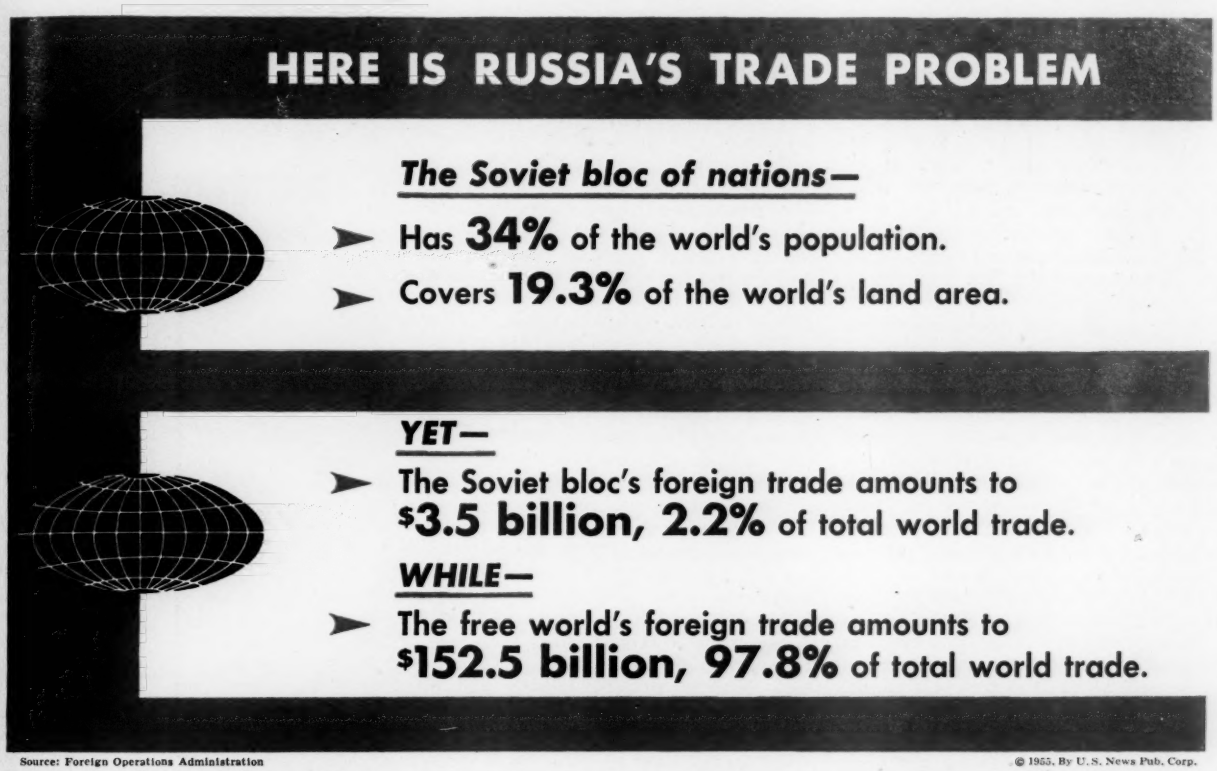
"If you want to wait until we don't have any rain," Mr. Khrushchev told American diplomats, "that moment will never come. There are even people who think it is necessary to wait for discussions with the Soviet Union until the time when they can (sell) wheat. But this is useless, because we shall get by on our own wheat. . . ."

Russia, before the days of the farm purges and collectivization, was a large-scale exporter of wheat. Today, wheat—the source of bread—is obviously a worry in the minds of Communist rulers.

Why peace? How will peace talk, talk of coexistence, and an end to the "cold war" affect all that?

The answer you get from the best-informed official sources is that the Communists, with their shift in policy, are angling for these things:

- A slowdown in the arms race, so that Communist countries can provide a few of the better things of life to their people without falling hopelessly behind in military strength.
- A lowering of restrictions on Western trade with Communist countries so that the great reservoirs of machinery and machinery production


HERE IS RUSSIA'S TRADE PROBLEM
The Soviet bloc of nations—
Has 34% of the world's population.
Covers 19.3% of the world's land area.
YET—
The Soviet bloc's foreign trade amounts to $3.5 billion, 2.2% of total world trade.
WHILE—
The free world's foreign trade amounts to $152.5 billion, 97.8% of total world trade.

Source: Foreign Operations Administration

© 1955, By U. S. News Pub. Corp.

can be opened to the Soviet Union and its satellites. With this machinery from the West, the Communists then hope to speed their industrialization and to gain strength.

• Access to the capital markets of capitalist countries. The Communists want loans from the West, with which they can pay for Western goods in order to gain the strength that later can be used to challenge Western nations again.

It is recalled that it was in the 1930s, with loans and with technicians from capitalist nations, that the Communists laid the base for their steel industry, their power industry and other basic industries. The Soviet strategy, as now interpreted, is to repeat the experience of the 1930s, but on a larger scale.

Western view. Here's how it looks from the Allied side:

There is evidence that the period of 10 years of slugging is changing. During this time, it has become clear that the Western world has not lost in vigor and that, the harder it has been slugged by the Soviets, the stronger it becomes; that the weakness in the free system and the economic collapse and disunity that the Communists foresaw have not occurred.

Now it appears that the Soviet Union is growing a bit tired in terms of a slugging match. Slugging failed. The sluggers may be giving way to the other school, the school of accommodation.

It is known, too, that the Red governmental structure is weak. It is difficult to run a dictatorship without a dictator, without an able and unchallenged man at the top. People down the line have not been trained to make decisions, but to execute them. It has been a crime to do anything but conform. Such a system when the one giving orders is removed, creaks in operation.

Russia groggy? That's the Soviet Union of today as it is pictured by those who know it. It is a picture of an outfit that is groggy and playing for time, as well as for help. A good, stiff shove, and the whole structure—now overstrained—might collapse.

Back of that strain, in some part, is the policy of restriction in trade that has been applied by the U. S. and other Western nations in recent years. There are bars to the shipment of so-called "strategic goods" from Allied nations of the West to the Soviet Union, to Communist China and to the European satellites. Evasion of these trade barriers has been rather widespread, but the effect, even so, is found by U. S. officials to be important.

You can see what that effect has been from the accompanying charts, based on facts and figures just made public by Harold E. Stassen, as Director of the recently dissolved Foreign Operations Administration.

The story told in these figures is a story of chronic shortages of food and materials inside the Communist empire, of repeated failures in the output of both industry and agriculture, of desperate attempts to get goods from the non-Communist world, and, finally, of an inability to deliver goods to buyers outside of the Communist bloc of countries.

The Communist empire, in fact, is of negligible importance in world trade. With more than a third of the world's population and about a fifth of the land area, Communist trade accounts for only 2.2 per cent of the world total. And, as officials appraise the outlook, there is not much chance of expansion so long as the Communist system prevails.

Trade picture. The volume of East-West trade did increase a bit from 1953 to 1954. Buying by Communist countries rose from 1.4 billions in 1953 to 1.7 billions in 1954, while selling by Communists to Western nations rose from 1.6 billions to 1.7 billions. However, FOA notes that trade began to decline late last year and signs are that the volume may be even lower this year.

Food shortages inside the Communist empire were responsible for much of the increase in trade last year. Soviet

Russia bought 142,000 tons of meat during the year, chiefly from New Zealand, Uruguay, Argentina, Denmark and France. Czechoslovakia and East Germany also were in Western markets for meat. There was increased buying of butter and bread grains, commodities that usually have been exported from the Communist area.

The real problem in Soviet trade is to find goods that can be sold to the West. The official report notes that "the sources of Soviet-bloc products that are exportable to the free world have been drying up."

Actually, Soviet trade agreements often appear to be more propaganda than commitments. A trade and credit agreement between Argentina and Soviet Russia was negotiated in 1953 and renewed in 1954. The Argentines were promised some 30 million dollars' worth of industrial goods. But an Argentine delegation spent two months in Moscow trying to arrange for delivery, and was forced to return empty handed. That example is reported to be typical.

Shoddy. Another difficulty is found in the poor quality of Communist-produced goods. An East German technical journal recently admitted that bicycles, motorcycles and automobiles made in East Germany no longer meet the standards of the Western world.

A further trade problem in relation to Communist countries is their unreliability. They often enter markets as major buyers and then suddenly withdraw. In Finland, for example, Soviet Russia offered to buy prefabricated houses over a five-year period. The Finns expanded plants to fill the contract. Then the Soviets began to cut their orders and this year offered to take less than half the volume originally agreed upon. That left the Finnish industry in straitened circumstances.

The basic reason for trade difficulties, however, is that the Communist system simply is not working. In Soviet Russia itself, leaders disclose that the daily output of workers has declined since 1950, in contrast to the increasing efficiency of the Western nations. In agriculture there has been a decline in crop yields and in livestock production. Moreover, during the postwar period, the population in Russia has increased substantially. This situation prompts U. S. analysts to conclude:

"All of this meant that despite the progress in heavy industry, and despite the new importance of their country in world affairs, the people of the Soviet Union were probably worse off as consumers, especially for food supplies, than they had been in the late 1930s, which had been no bed of roses."

Satellites, too. The same situation is found to prevail in the satellite countries, which, before Communism took over, had a substantially higher standard of living than Soviet Russia.

Hungary is cited by U. S. officials as an extreme example of Communist floundering. In July, 1953, Hungarian leaders confessed that their industrialization program had been too ambitious. They promised widespread reforms aimed at giving the people more food and more consumer goods. Taxes on farmers were lowered and prices of farm products were increased. Peasants even were given permission to leave collective farms.

The result was confusion. About half the farmers deserted the collectives. Harvests of wheat and rye decreased in spite of an increase in acreage. Industrial production failed to gain as expected. Coal output fell short of goals even though more workers were sent into the mines. Steel output actually declined. The Government promised to build 40,000 new houses in 1954, but by October of that year only 13,000 had been completed.

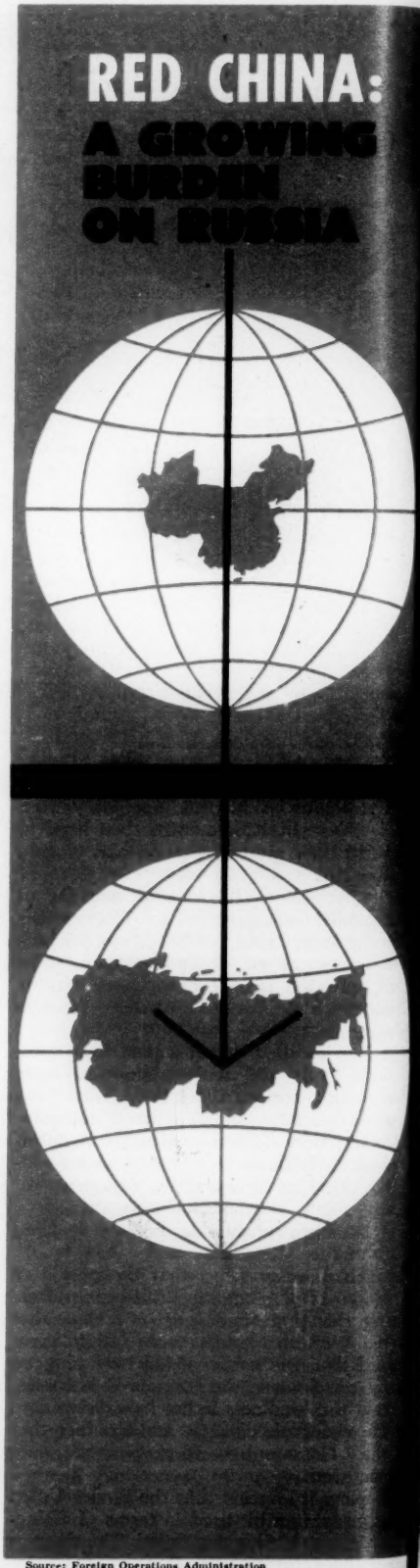
Now Hungary has reversed itself. The Government of Premier Imre Nagy was thrown out of office. The new Government is trying to drive farmers back to collectives and to crack down more severely on workers. Heavy industry, presumably, is to get back its top priority. But latest reports indicated continued confusion and dissension inside Hungary.

What's happened in Hungary also has happened in Czechoslovakia and Rumania and in most other countries as well. The trade figures in the chart at the right highlight the problems of Communist China. China is getting less than half the volume of goods from the West that she got in 1947, and sales to non-Communist countries are off, too. China, in brief, has become a burden rather than an asset to Soviet Russia.

So policy softens. These strains inside the Soviet Union and its satellite countries go far to explain the reversal of Communist policy in recent months. The Soviet empire quite obviously needs time to recover from Communist mistakes in policy. The Communists also would welcome whatever help they could get from the West in supplying them with the raw materials and machines they need to get production back on its feet.

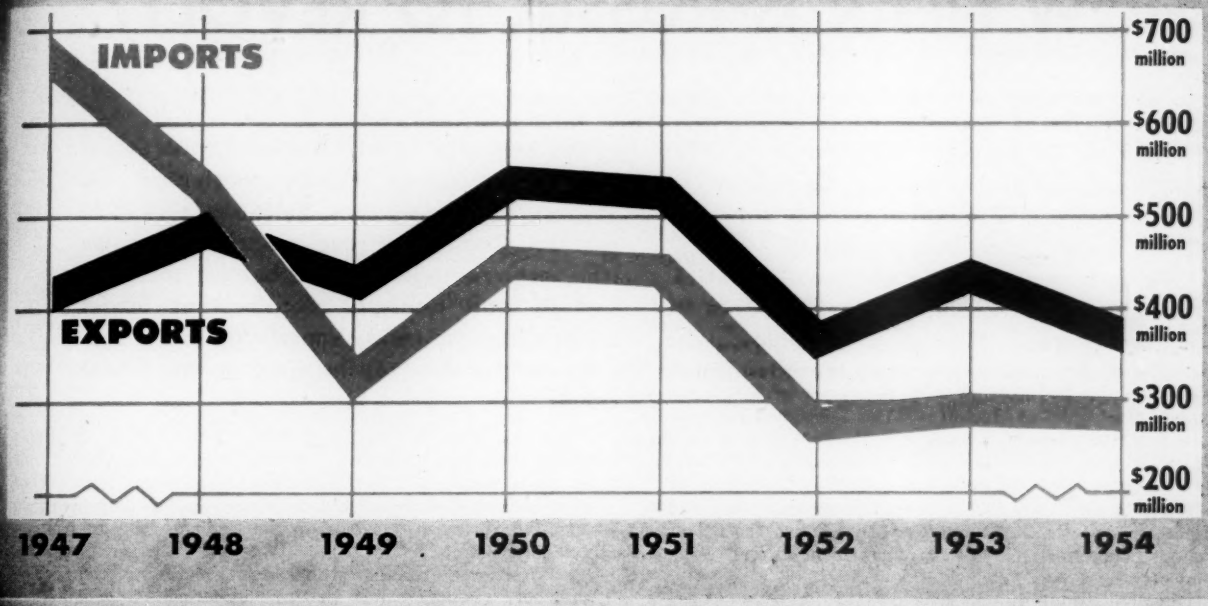
The Western world thus can expect soft words and soothing gestures from the Communists in the period just ahead. Indeed, such words and gestures already are being made by Mr. Khrushchev.

A former Soviet Intelligence officer tells of Russia's internal troubles—page 24; what the Russians will find when they visit America's farms—page 30; President Eisenhower's comments on Khrushchev—page 85.

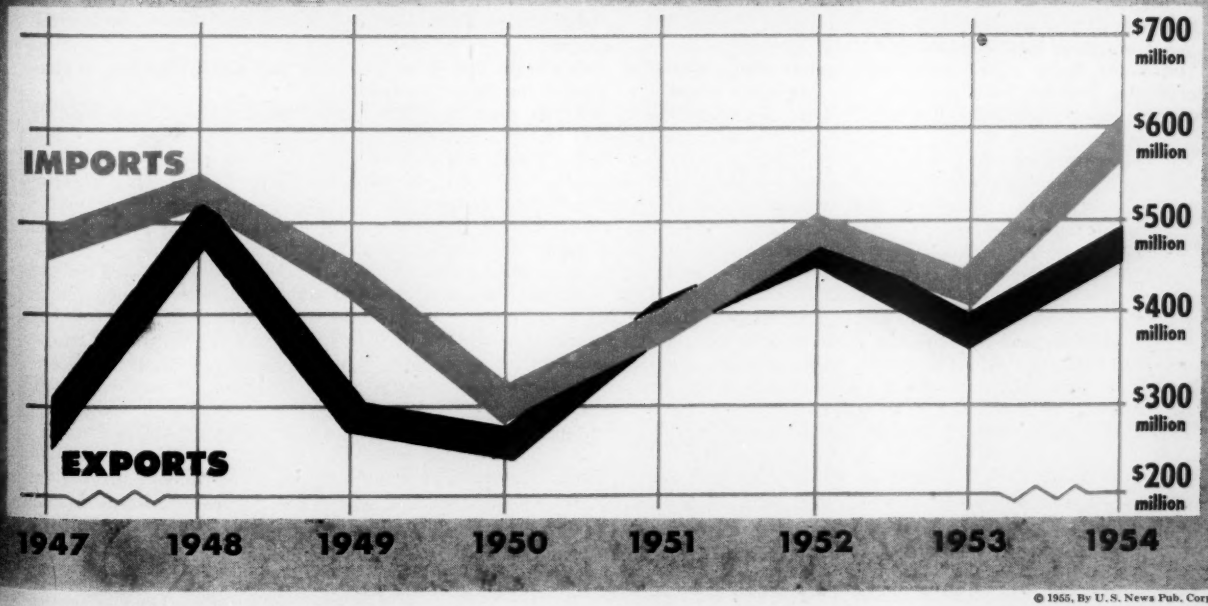


Source: Foreign Operations Administration

CHINA, starved for goods, is forced to lean more and more on Russia. China's trade with free world shows why:



RUSSIA herself is hard pressed. Her trade with the free world is up, but still small:



© 1955, By U. S. News Pub. Corp.

Interview with NIKOLAI E. KHOKHLOV
Former Soviet Intelligence Officer

HOW NEAR IS RUSSIA TO REVOLT?

Why do Soviet rulers seem eager to calm the "cold war" in a Big Four Conference?

Is it because of growing internal troubles? Is the Soviet Union nearing revolt?

To get answers to such questions, *U.S. News & World Report* again invited to its conference room Nikolai E. Khokhlov, who earlier had correctly predicted the downfall of former Soviet Premier Malenkov.

Mr. Khokhlov spent 13 years in the Soviet Intelligence Service. Finally concluding the Soviet system was wrong, he chose in 1954 to join anti-Communist revolutionary forces. He still receives reports from behind the Iron Curtain and analyzes decisions of Soviet leaders from an inside knowledge of the system. Here is the way he sizes up the Soviet Union now.

Q What do you think the Soviet leaders are going to do in the Four Power talks with the West, Mr. Khokhlov? Is their talk about peace the same old propaganda, or do you think the Soviets are serious now?

A This time I think they mean it seriously.

Q What makes you think that?

A Because it is now in the Soviet interest, at least for the next few years, to persuade the West to accept the idea of coexistence.

Q You mean the Soviets have given up their idea of overthrowing capitalism, of conquering the world?

A No, not at all. This is simply a new tactic, but still a part of the same old long-time strategy. That hasn't changed. But conditions have changed, and the Soviets, I think, change their tactics to fit new conditions.

Q What are these new conditions?

A You know, you cannot scare the Soviet rulers with atomic bombs, because no Khrushchev, no Malenkov cares about how many people would be killed on the first day of a war.

Q Then what are they afraid of?

A The Soviet rulers are now afraid, because it happens that the Western world began to realize the true situation behind the Iron Curtain—the growing conflict between the enslaved people and the Soviet system. The first and most dangerous enemy of the Soviet system is the oppressed, enslaved people themselves.

This correct opinion has begun to grow and widen in the last one or two years and the Western world is now getting ready to find the Achilles heel of the Soviet system. For instance, the Texas Legislature passed a resolution of sympathy and moral support for anti-Communist forces of the Russian people.

You may not know it, but the Soviet leaders became frightened over that. They knew that this would be their end if the discontent of the Russian people and the policy of the West were coming together.

This slow realization of the only true way to destroy the Soviet system began, perhaps, in the last half year to bring about some results.

Q What sort of results did the Soviets fear?

A There was a chance that the American Government might adopt a policy of liberation and a proclamation of alliance with the Russian people and to help them grow their own revolution against the Soviet, and so the leaders inside Russia began to worry.

Then came another big element—the elections in England. I think the elections in England gave the Soviet leaders very great worry. They realized that appeals to peace and coexistence only with words were no longer sufficient to mobilize public opinion. Despite the fact that Mr. Attlee [Labor Party leader] had been in Moscow, he lost the election.

Q Do the Soviet leaders really pay much attention to elections in the Western world?

A Oh, yes. Their peace talks are connected with the fact that in 1956 in the United States there will be elections, too. If the ruling power in the United States goes to people who are ready to co-operate with the Soviet Union, ready to adopt a policy of coexistence and to soften the challenge to the Soviet system, then the critical situation for the Soviet system could be delayed for two to four years.

Q How can they influence elections in the United States?

A They are now going to try to convince public opinion in the United States that the Soviet Union is not the Soviet Union—it would be only Russia, a country like many others, and with this country you can arrange usual diplomatic things, you can ease the world tension, you can work with them.

Q Like Yugoslavia—

A That is a good example. Now they want to prove it with "facts." They will say, at the same time, that in the United States you have various warmongers, enemies of the American people, who can bring your country into war, destroy all the

Copyright 1955, By U. S. News Pub. Corp.

Resistance Rising . . . Émigrés Organizing . . . U. S. "Could Help" by Encouraging Russian People

nations and bring the world to catastrophe. They will say, "Don't let them come into power in '56, because that would mean catastrophe."

You see, instead of the U. S. scaring Khrushchev & Company with the atomic bomb, the bomb is used by the Communists to scare the West.

Q That is the Soviet line now?

A It will be.

Q What actual steps will they take? Will they end the Cominform?

A That is the first propagandistic step—to influence public opinion in the United States, to influence '56. I speak a lot with Americans and realize that even now there is a difference. A few weeks ago the American was interested to learn about the "cold war"—what to do with the Soviet Union—but now the American citizen is going to be quiet again and if tomorrow the question arose as to who was going to rule the country, the people here would say, "Oh, we don't want somebody who will bring us war and tensions."

This is a quite dangerous thing for the United States.

Q Is there no possibility during this period that Russia's internal problems may become so acute they would have to change their foreign policy?

A Well, that has already happened. This is exactly what is happening now. But don't think that Soviet internal problems can make the rulers change from Communism to democracy. That's impossible. The Soviet rulers will not make themselves democrats. But I believe that outward troubles and popular discontent can lead finally to a revolution.

Q Communism is back on its heels, in a way, at the moment?

A No, Communism is not back on its heels. It is trying to consolidate itself.

Q But it feels danger—

A Yes. Because you began to see his vulnerable point—I mean the policy of friendship, alliance with the enslaved people. Even Mr. Dulles said something about Russian patriots who could overthrow the Soviet regime.

In view of this, Soviet rulers want, among other things, to destroy in advance the future Russian political opposition abroad, which, in alliance with the Western world, could overthrow the Soviet system.

Q On the Fourth of July, Khrushchev acknowledged reports that Soviet agriculture is lagging but said everything is in good condition. He also seemed to be paving the way for some concessions to the West. What do you think is behind it?

A In Soviet dialectical language, he was agreeing with the Western suspicions that the Soviet Union has now internal troubles. But don't be fooled by the talk of "only economic difficulties." There is something more behind it—the spiritual resistance of everyone in the Soviet Union is beginning to bring some evident results. The right name for the nature of internal troubles now would be "psychological." There is a passive resistance that the Soviet rulers are trying desperately to stop, to make the oppressed people obey again. With perhaps a little more incentive—some outside agreement and support, maybe—the resistance could become active. That is really what Khrushchev was talking about. That is what he is afraid of.

Q In the Big Four meeting that starts July 18, and in any subsequent meetings, what do you think the Soviet rulers will try to do to improve their position?

(Continued on next page)

—USN&WR Photo

NIKOLAI E. KHOKHLOV IS INTERVIEWED IN THE CONFERENCE ROOM OF *U. S. NEWS & WORLD REPORT*

. . . "Russians and Soviet rulers are two different things"

A I think they are now going to try to push America out of Europe and to neutralize the countries of Europe.

Q Isn't that easier said than done?

A Well, it is not so difficult to do. First, they will give away Germany.

Q You mean give back East Germany?

A Yes, East Germany and maybe even small parts of Poland. You remember that East Germany is quite a potential reservoir for revolutionary explosion. East Germany may be more explosive than an atomic bomb, because the Soviet Army there represents a possibility for uprising.

Second, they took out of East Germany all that they could. The economic condition of East Germany is now very poor, and they don't need it any more.

And what is more important is that if the Soviets pull back to Poland, just 100 miles away, where will the Americans go? Much farther—maybe across the ocean. The Soviets are playing a sure game because the German people want Germany to be neutral in order to be reunited.

Q But they have never voted that way in West Germany—

A Well—but now they evidently want to be reunited with East Germany, and I think that Adenauer is forced to it. He is forced to it because otherwise he would lose too much popularity and influence.

Q But does that mean the Germans would have to put the U. S. out?

A That would be one of the logical and inevitable conclusions.

RUSSIA'S NEXT MOVES—

Q Do you think the Soviets will propose this within the next year?

A I think so. I think one of the principal bargaining points at the Four Power Conference for Bulganin will be a demand for your stopping of the "cold war," since that is the chief danger for them. Then they will propose unification of Germany, with the price of removing your troops. I think you will be forced to take your troops out of West Germany—

Q Do you think Bulganin would go far enough to propose that the Soviet Union remove its troops from the satellite states and from Poland in exchange for the United States' getting out of Europe?

A I don't think they will agree to it easily, but I still think they are ready to go that far. They already have a very strong police apparatus in these satellite countries. If they remove their troops 100 miles away, the local population will know that, as soon as they begin a revolution or something, they will not only have to struggle with local forces, but Soviets will have enough time to move troops in.

Q You think the Soviets' objective, then, may still be to create an entirely neutral Europe?

A Well, yes. But you understand it will not be a normal development. The satellites will not become normal states again. They will remain Communist-influenced countries. If East Germany is unified with West Germany, don't think that it will really be a country where the Western world will gain much.

Don't forget that these 17 million East Germans will have no normal relations, after unification, with the rest of Germany. There will be different frictions in Germany and the different Communist leaders from East Germany will work free in reunited Germany and will very much undermine this country.

You will have a quite difficult situation there, with quite a great chance to lose.

Q What happens if Germany and the West reject this offer of neutrality? Will Russia then agree to German unification without neutrality?

A You will then help the Communists to consolidate their bloc because, first, you will give proof to the in-between countries like India—and sometimes even England—that you want war. That will happen because you don't have enough proof yet to show the world that you are only trying to maintain your policy of defending yourselves.

The Soviets, in coming to a meeting, never lose from view their long-range and all-dominating goal—destruction of the "capitalistic" world by all possible means. Here, the Western world doesn't have anything to counterpose. It doesn't have a long-range, fixed goal in dealing with Communists. But the West could, and actually should, have the same and even stronger long-range goal—the destruction of the communistic system and power. Then it would be different.

Q Do you think we should quit dealing with them?

A No, you have to deal with them because you don't want war. But you have to realize that this particular sickness cannot cure itself. Communism cannot change.

PROGRAM FOR U. S.—

Q When we go into this Big Four Conference, what attitude should we assume?

A Since the Soviet attitude cannot basically change, then you, morally, have to extend the fight against them to the logical end.

Q Then there can't be agreement? And the world will blame us for causing trouble—

A Not necessarily. You have a very strong position to present to the world court of opinion. You could easily say that you can't trust the Communists because they every day shoot thousands of people or imprison them—that they have in concentration camps many times as many people as they have members of their ruling classes. You can say that such a government sooner or later will be overthrown. This was already proved when Hitler tried to make countries and people his tools and puppets, and had to be destroyed.

Q You can say that when you're fighting, but can you say that when you are getting around the same conference table with the Soviet rulers?

A Even there—you must go to this table and say: "Since the Communists say they want to mediate, I will sit down with them, but every word that I will say here will not take away from me my own conviction, my own belief, that these Communists are actually against the will of their own people and I don't believe they can change." What does it mean? Approximately this: Let's deal with Khrushchev, let's deal with Bulganin, but don't stop trying to support all the forces of enslaved people who want to destroy Communism.

Q In other words, we should just be honest with the Soviets and tell them what we think of them?

A Absolutely. But not only with the Soviets; with the Russian people, too. Don't forget, Russians and Soviet rulers are two different things. That is why your President could

. . . Soviet Government "only needs a push now to fall down"

say some words to the Russian people too, something like this:

"We are not dealing with Soviet rulers because we agree with them. No. We know they are against their own people. But we cannot do anything else in our position. The job of overthrowing the Soviet system is yours, not ours. We are with you spiritually. We are forced to speak with these people here because we cannot speak directly with you, enslaved people, but our sympathy is still on your side."

Q What results could we expect of that?

A Well, just begin to consider the Russian anti-Communist movement as a political opposition to the Soviet system. You have diplomatic relations with the Soviet Government. All right. But you sympathize with this particular political movement. Nobody could stop you. You could help them in a practical way to overthrow the system.

One way to help is through Russians outside the Soviet Union. Russian émigrés were for a long time disunited—but not now. As soon as the situation inside the Soviet Union began to give the émigrés hope that revolution was possible, they began to consolidate. They began to hope that the West would realize the new situation and would support the opposition.

UNDERGROUND IN RUSSIA—

Q There are many émigrés, too, aren't there?

A There are many, yes. Not only émigrés, but there are already underground cells and connections of revolutionary organizations in the Soviet Union today.

Q You mean that the émigrés outside have connections inside—

A Quite a lot. I know that from secret files of the MVD [secret police]. I want just to repeat that this would be the only way to get rid of the Soviet system. And Soviet rulers began to realize that you were getting too near to this vulnerable point, so they had to switch. Now they are trying to destroy your unity, push you back from cold war, keep you from appealing directly to the enslaved peoples, then to break the unity of the Western powers, to push you away from Europe, to organize a neutral belt and to occupy themselves with the internal situation.

Q Where does the Soviet Army—the ordinary soldiers, not the generals—fit into this picture?

A I think the Soviet rulers don't believe now they can count on their own Army. Maybe one of the reasons is because a good part of the patriotic feeling of the Russian population has already switched to the anti-Communist revolutionary movement. That is a very important thing.

Q How do you know that?

A In World War II, Soviet leaders could switch the patriotism of the average citizen to the defending of Soviet Russia. Since '53 the Soviet leaders have begun to realize that this switch may not be possible again and that among the population would grow more and more sympathy for the spiritual forces of the democratic world.

The first lesson that they got was in East Germany when the Soviet Army refused to shoot East Germans, refused to carry out an order. This got the Soviet leaders to thinking that in the future they could no longer count on any victory in armed conflict.

Also, I know it from my own experience—I know it because I am a typical Russian, and from the experience of many other Russians.

As soon as the Russian revolutionary movement will be understood and supported by the Western democracies, our people will automatically begin to sympathize with the Western world—and that is exactly what the Soviet Government is afraid of.

Q Does that mean liberation?

A Not liberation exactly with the forces of America, but it will mean liberation of Russia from the Soviet system with the forces of the Russian people themselves.

Q How strong is the feeling for this revolution—among how many people?

A At the present time the liberation movement is quite weak, as an organization, because its center is still abroad, and abroad in the West it is very difficult to work today. But it is strong on popular potential force. Many sympathizers inside of Russia make it as strong as it could be with the present technical means.

Q Do you feel that things are pretty weak inside Russia now with the present Government?

A It is—it only needs a push now to fall down. But don't have any illusions—only the people inside Russia can do it. You cannot do it.

Q Are the majority of students at the universities opposed to Communism?

A There have even been strikes. Many students are in concentration camps now. I don't want to give the impression that my wish is father to my thought.

Take the Soviet newspapers—try to analyze them. You will soon come to the same conclusion I have, because it is very clear and evident to people who are analytical and objective.

Q As an intelligence agent didn't you work mostly outside Russia? How were you able to appraise people within the Soviet Union?

A Because every time I crossed the border from abroad into the Soviet Union I was no more an intelligence officer. I was a scientific worker, I was a student in the university; nobody knew who I was. Even in my house my superintendent never knew.

And I came in contact with peasants often, because my wife has many relatives in the country. Fortunately I had opportunity to know different strata of the Soviet system.

RESISTANCE OF PEASANTS—

Q How strong is the passive resistance of the peasants?

A So strong that we can say that maybe 18 million farmers have been killed since the Communists came to power.

Q I'm thinking about the ones still alive—the ones that still work on the collective farms—

A I could say they are strongly resistant, but to say how strong I would have to know what percentage of bread [grain] they are giving, what percentage they are keeping. I can only say that they are doing all that is within human power to do. It is not because there is not pressure on the people or because the land is not yielding that there is a food shortage, but because the peasant doesn't want to produce.

Q Is the decline in agriculture really due to the sabotage of the peasants?

A The position of the peasant could be that he deliberately

(Continued on next page)

. . . "Khrushchev now has a popular nickname, 'Corn Man'"

doesn't produce, or that he doesn't have the incentive to produce.

Q Khrushchev came to power on the agricultural situation. What is his position now?

A We got today a letter from Moscow. You remember that I told you previously Khrushchev was trying to win the favor of the people. This letter gives the present situation in Moscow.

Khrushchev now has a popular nickname—*Kukuruznik*. How to translate it I don't know—maybe "Corn Man." They do not now call him Khrushchev—just "Corn Man."

Probably the people are not afraid to call him so because he is not popular at all now.

Q Is Khrushchev a strong man?

A Khrushchev is today a strong man because he represents the party.

Q How did he get that role if he didn't have ability?

A Khrushchev created his own security force—General Serov and his Committee of Internal Security. His trip through Russia and his campaign to win the support of the local party rulers helped him, too.

The most primitive, the most uneducated, the most arrogant person in the Soviet Union is always a party leader. All the common people know about it. And these party people, of course, have to support Khrushchev, automatically. They join Khrushchev because he is their hope and their symbol. They could not associate with any too intellectual types.

SIZING UP KHRUSHCHEV—

Q Is Khrushchev intelligent?

A To be a Communist Party ruler and to use the primitive animal instincts of some primitive people who by chance are now in controlling positions, you don't need a high intellect. You know, the human being sometimes has very surprising qualities. Sometimes you can have a man who is not highly intellectual but whose capacity for intrigue, for brute force, for ability to betray his friends and allies, is very great. Just remember the type of a Chicago gang leader who is so often seen in your movies.

Q Would you say Khrushchev is shrewd?

A He is a good political intriguer. Also, in the Soviet Union, such people can promote themselves. He is using some kind of large brotherhood in a common crime. You know, people who are in a high position have only to serve the party to survive.

Q Is anybody his boss?

A No, I don't think so—but he has to respond to what the party wants.

Q What about Bulganin?

A Bulganin is a career man. I doubt that he has big capacities. He was once a bank director. But now, because he is so politically correct in the Communist Party line, he will sit down with President Eisenhower at the same table at a conference.

But there are other Soviet people who could have the same high position in the Western world as in the Soviet Union if they lived here.

Q Who are these men with brains?

A I talked with people who worked with [Anastas I.] Mikoyan, for instance. They said that Mikoyan is extremely smart—if he had been in business, he would be a big businessman, even in the Western world. I think the party uses him as a very experienced man in economics, a kind of talented businessman.

Q Do they use him to do the things they aren't smart enough to do themselves?

A That's right—and he did it as well as he could in the Soviet system. He was connected with food and afterward with trade and he was very popular. Most of the population knew about him. He is a very good leader.

Q Isn't Lazar Kaganovich in the same class as Mikoyan, too?

A Yes, the same thing is true of Kaganovich. This man is extremely smart. He is the man who is going sometimes to factories and to plants and is speaking to people. Kaganovich and Mikoyan are really trying to find out the correct business solution.

Q In recent days there have been reports that the military is becoming more influential. Is Zhukov a powerful man as Defense Minister?

A The Army does not have any influence in Russia—only political force does. The low levels of the Army are closely tied with the population. If you obtain their trust, then you can work with them hand in hand and regard the millions of soldiers as a reservoir of the revolutionary forces.

But as soon as a man becomes a colonel or a general, he begins immediately to be tied to the party. He is controlled automatically by the party people.

Q There is somebody watching him, you mean—and then do they destroy him if he deviates?

A Yes, and not only that, but he doesn't have much interest in deviating because he wouldn't have been promoted if he hadn't been loyal. In time of war, some people were promoted to general for their front services, even who were not sympathetic to Communism, but they were exterminated very quickly.

Today, there are few real combat officers of high rank who have the control of the Army in their hands. And even these few people are too cautious to try to exert any influence over the regime.

WHERE ZHUKOV STANDS—

Q Does the party control the Army?

A Yes.

Q A man like Zhukov could not stay at the top of the Army and also be the Secretary of the party, in other words?

A He could not, probably—but Stalin was.

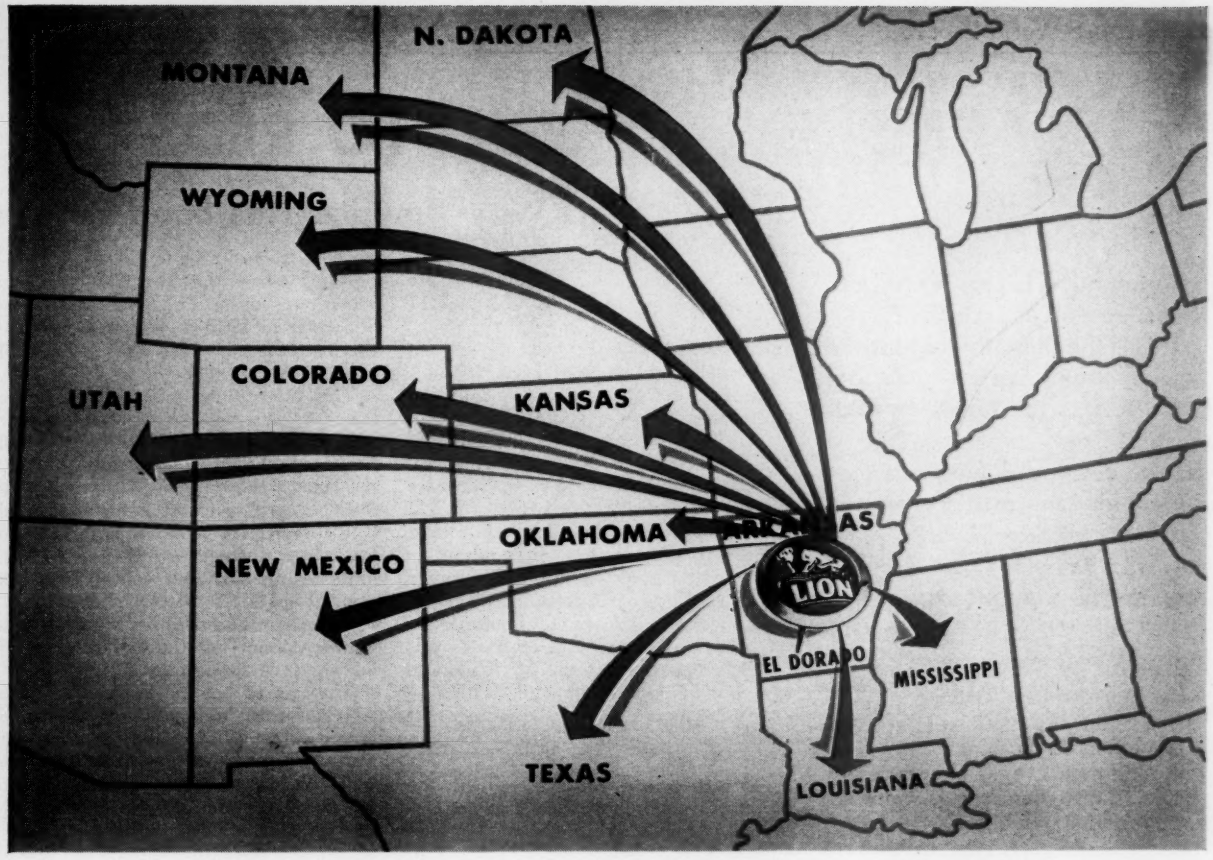
Q Would Zhukov try it?

A Zhukov is very conscious of the situation—and I don't think he is very thankful to the West for all the praises that were done here in his favor.

When Eisenhower began to say nice things about him, Zhukov immediately made a speech, defending the party line and emphasizing it—saying "I am, also." Theoretically, a man like Zhukov could one day carry out a change in the system—he has power and influence. But with the measure of watching by which he is surrounded, he never will live long enough to make it work.

Q If Khrushchev's campaign to raise corn and hogs fails, what's going to happen to Khrushchev then?

A It depends on who controls the power then. If Khrushchev still controls the power, some other people will be to blame. If Khrushchev loses the power, then Khrushchev will be at fault.



SEE HOW LION OIL IS REACHING OUT

To Assure Oil and Gas Reserves for Tomorrow!

As a completely integrated oil company, doing its own exploration, development, refining and marketing, Lion Oil is well aware of the importance of establishing adequate reserves for Tomorrow. Significantly, Lion's successful completions of oil and gas wells in 1954 increased 48 per cent over 1953.

This skillful exploration and drilling program not only has added materially to proved reserves, but has boosted Lion's daily gross crude oil production to a new all-time record.

Important developments in 1954 included the completion of a large number of producing wells in areas previously discovered in Colorado and the discovery of a new oil field in the same state; discovery of a new field in Louisiana; the successful completion of the Company's first oil producer in Montana; new oil production for Lion in New Mexico; and extended operations in Kansas.

In 1955, Lion is conducting exploratory and drilling operations in the area shown above—*one-fourth of the states in the United States*—the largest production development program ever undertaken by the Company in a single year.

In the future, as in the past, Lion will continue to reach out . . . wherever Progress beckons.

KEEP YOUR EYE ON . . .

LION OIL COMPANY

EL DORADO — ARKANSAS

A Leader in the Exciting New Field of Petro-Chemistry . . . Producer of More Than 70 Petroleum and Chemical Products for Transportation, Industry and Agriculture . . . and More To Come.

U.S. FARMS: EYE OPENER TO REDS

Russians Will Find Why America Has Food Surplus

Automation is coming to U. S. farms, as well as factories.

This is the thing that will strike Russian farm experts who are about to visit the American Midwest.

With new techniques, new machines—electric corn conveyers, automatic chicken feeders, other modern devices—U. S. farmers keep stepping up efficiency.

This efficiency, in fact, is raising problems for farmers.

Russian farmers arriving in the United States this week end are to see a revolution in farm efficiency that will open their eyes. The eyes of city people in this country also would be opened if they could follow the Russian farm delegation on its visit to Iowa and other States.

The fact is that American farmers have been outdoing American industry in stepping up efficiency.

In the last 15 years, output per man-hour on U. S. farms has nearly doubled. It's up 83 per cent to be exact. This compares with an over-all increase of 30 per cent for industry as a whole.

In 1940, one U. S. farmer produced enough for himself and 10 others. Now he produces enough for himself and 17 others.

In Russia, one farmer produces enough for himself and two others.

To find out just how the American farmer has brought about this revolution in his barns and fields, the Russians will need only to look around them. Federal and State officials, and farmers in the States where the Russians will visit, have promised to help them obtain a full view of American agriculture.

The visitors will see how U. S. farmers are substituting machinery for muscle, using better plant varieties, pouring on the fertilizer, killing insects and weeds with chemical sprays, and getting more eggs per hen and more milk per cow—just to mention a few of the factors that account for the rapid increase in farm efficiency.

For efficiency, more acres. If the visiting Russians have been reading reports of falling farm income in the United States, they will be surprised to find that farm-land prices are strengthening in most States. This, they will learn, is largely because many farmers are buying more land so they can produce a larger volume and thus maintain income even with lower prices.

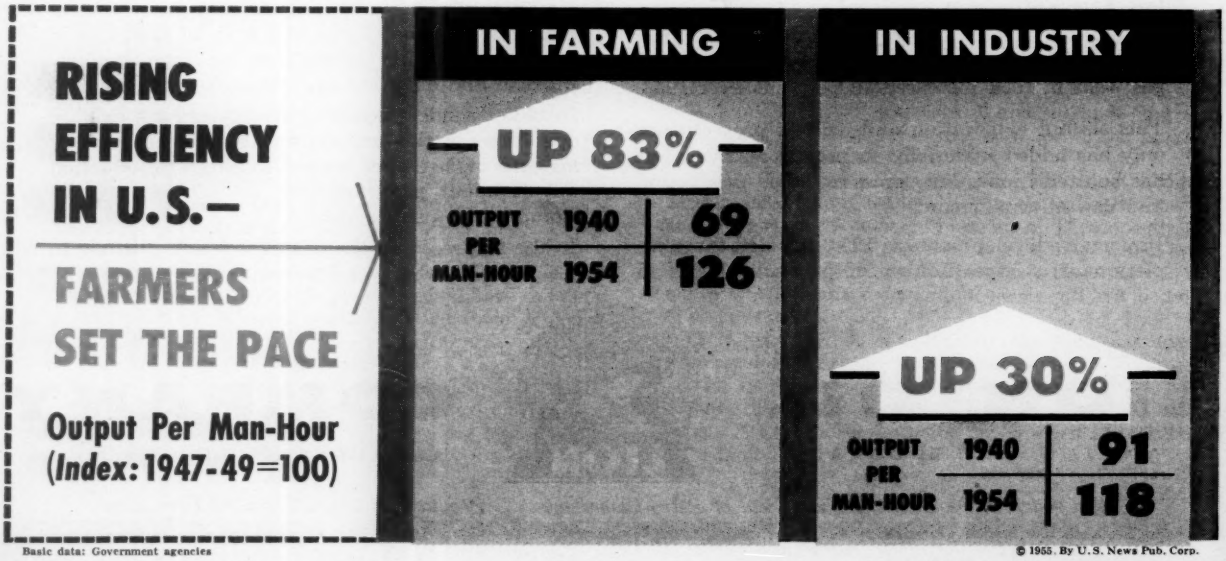
For instance, the average Iowa farmer who grows corn and feeds it to hogs and beef cattle has around 200 acres compared to only 175 in 1940. In Nebraska, where the Russians will also visit, average farm size increased from 385 acres in 1940 to 451 acres in 1953, the last year for which figures are available.

This process means larger, but fewer, farms. It has also meant fewer workers needed on farms. In 1940, the 30.5 million people living on farms made up 23.2 per cent of the total U. S. population. In 1954, according to estimates of Agriculture Department economists, farm population was down to a little less than 22 million—only 13.8 per cent of the total population.

American abundance. But even these figures do not tell the full story of efficiency in American agriculture.

The fact is that the nation's 2 million largest farms, as measured in terms of farm-product sales, could produce very nearly all the food and fiber consumed each year in the United States. These 2 million farms produce between 85 and 90 per cent of all farm products sold, which, according to Secretary of Agriculture Ezra T. Benson, is about the amount consumed in the U. S. The remaining 3 million or so farms produce about as much as the country exports and carries over as surpluses.

The Russian visitors will find that U. S. farmers have increased efficiency more in the production of crops than in the production of livestock products. Corn, the crop the Russians want to study as a



Basic data: Government agencies

© 1955 By U. S. News Pub. Corp.

possibility for easing their livestock-feed shortage, now takes only about a third as much time to produce as it did 15 years ago.

Official figures of the U. S. Department of Agriculture show that, in the years 1935-39, an average of 112 man-hours was required to produce 100 bushels of corn. In the period 1950-53, it took only 34 man-hours. Over the same span of time, the number of man-hours needed to produce 100 bushels of wheat on U. S. farms has been cut from 67 to 26. The same story of increasing efficiency shows up in the records on most crops.

Corn-field revolution. By the time the Russian farmers get to Iowa, most of the corn will have been "laid by," which means that final cultivation and spraying for weeds have been accomplished and there is little to do but hope for timely rains to "make the crop." Iowa farmers, with whom corn is the favorite topic of conversation, will have a breathing spell in which they will be happy to discuss the methods that have revolutionized corn production.

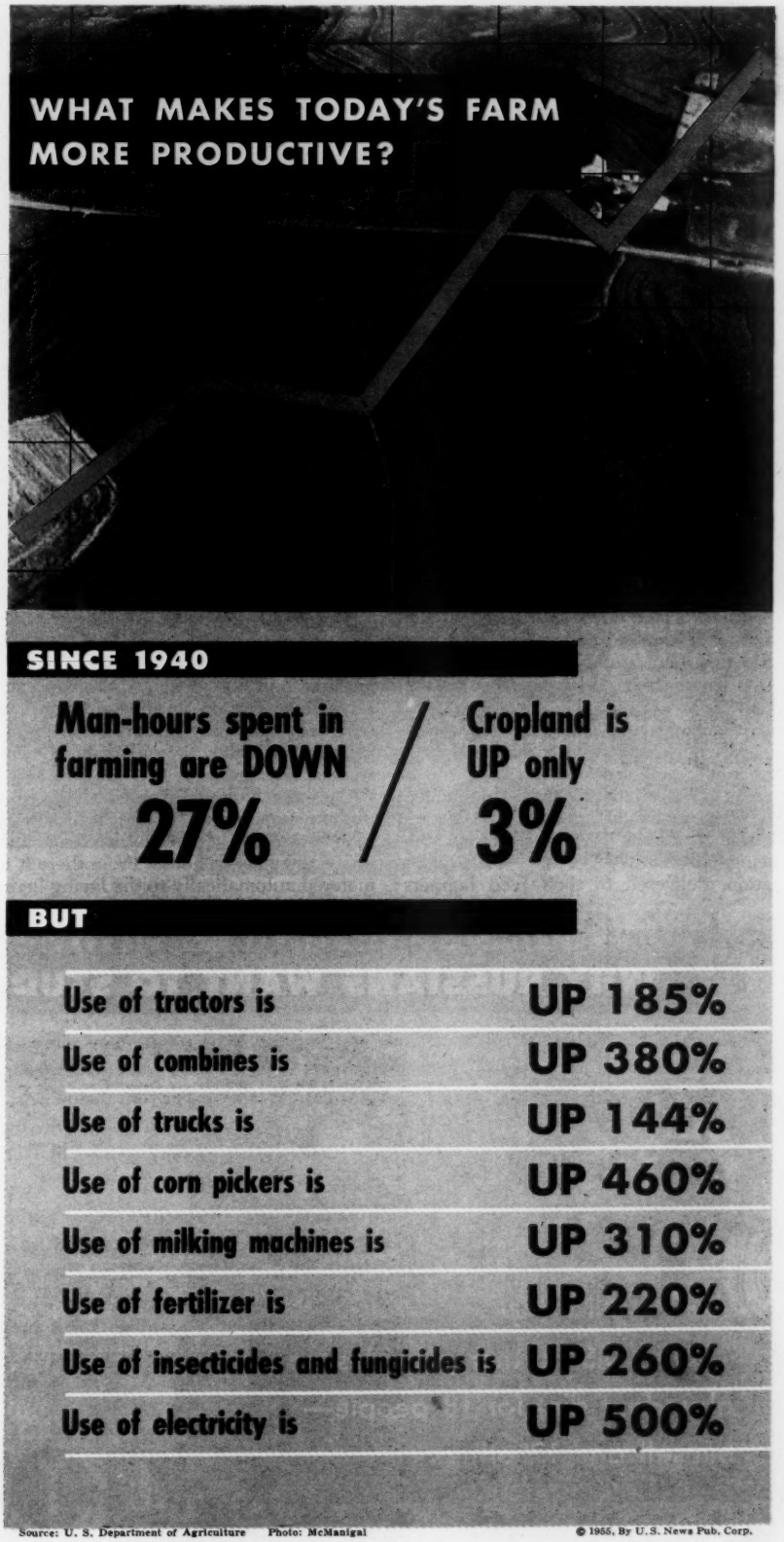
Should the visitors stop by the farm of Royal Holz, whose farming operations were described in detail in *U. S. News & World Report* of March 25, 1955, they will see weed-free fields of green corn that sprang from seed guaranteed to germinate by the company that sold it. Before this seed was planted, the soil was plowed, disked, harrowed and loaded with about $20 worth of fertilizer per acre to feed the plants that are now maturing.

The seed was put in the soil with a four-row planter that can plant up to 50 acres a day. A special device on the planter applied "starter" fertilizer alongside the seed to get the corn off to a running start. Mixed with this fertilizer was a chemical to protect the corn from soil-borne plant diseases.

In the last two months the corn has been cultivated and sprayed to knock out the weeds that would rob it of moisture and plant food. It has also been sprayed with an insecticide to rid it of corn borers that would weaken the stalks and cut yields at harvest time.

When the corn is ripe this autumn, it will be harvested with a self-propelled corn picker that picks and husks the ears and delivers them to a wagon pulled behind. At the corncrib, the wagons will be dumped automatically into a farm elevator that will carry the golden ears to storage with never a turn of the old, back-breaking scoop.

Chores made easy. Having whipped the major problems of farm "automation" in the planting and harvesting of crops, manufacturers are now turning out farm equipment to remove the drudgery from chores around the feed lots and barns of


WHAT MAKES TODAY'S FARM MORE PRODUCTIVE?
SINCE 1940
Man-hours spent in farming are DOWN 27%
Cropland is UP only 3%
BUT
Use of tractors is UP 185%
Use of combines is UP 380%
Use of trucks is UP 144%
Use of corn pickers is UP 460%
Use of milking machines is UP 310%
Use of fertilizer is UP 220%
Use of insecticides and fungicides is UP 260%
Use of electricity is UP 500%

Source: U. S. Department of Agriculture Photo: McManigal

© 1955, By U. S. News Pub. Corp.

American farms. Chores have kept the farmer from cutting down the number of hours needed to produce meat, milk and eggs as much as he has cut the number of hours needed to produce crops.

When the Russian farmers travel north from Iowa to have a look at dairy farms in Minnesota, they will find many farmers who have streamlined their chore routines with the help of better equipment and buildings. An excellent stop for them would be the Hamilton Nelson farm, located in the big Minneapolis-St. Paul milkshed.

Mr. Nelson no longer performs chores like climbing up into the silo in the dead of winter to chip away frozen silage to be pitched down the silo chute, then scooped into baskets and carried to each cow in her stall. For this chore, and countless others, he uses electricity, which now flows through power lines to American farms at a rate that has increased sixfold since 1940.

Electricity powers Mr. Nelson's automatic silage unloader, which is timed by an electric clock. This unloader tosses the silage down into a cart at the bottom of the silo. From this cart it is unloaded into feed bunks to which the cows come from their nearby "loafing shed."

At milking time, the cows move into a "parlor" where milking machines pull the milk from their udders and into a glass pipeline that carries it, "untouched by human hands," into a 500-gallon refrigerated tank. While the cows are being milked they get their daily grain ration, delivered to their feed hoppers by the turn of a crank that lets down the proper amount from an overhead storage bin.

FEWER PEOPLE ON FARMS

	FARM POPULATION	PER CENT OF TOTAL U.S. POPULATION
1920	32.0 million	30.1%
1930	30.5 million	24.9%
1940	30.5 million	23.2%
1950	25.0 million	16.7%
1954	22.0 million	13.8%

Source: U. S. Department of Agriculture
© 1955, By U. S. News Pub. Corp.

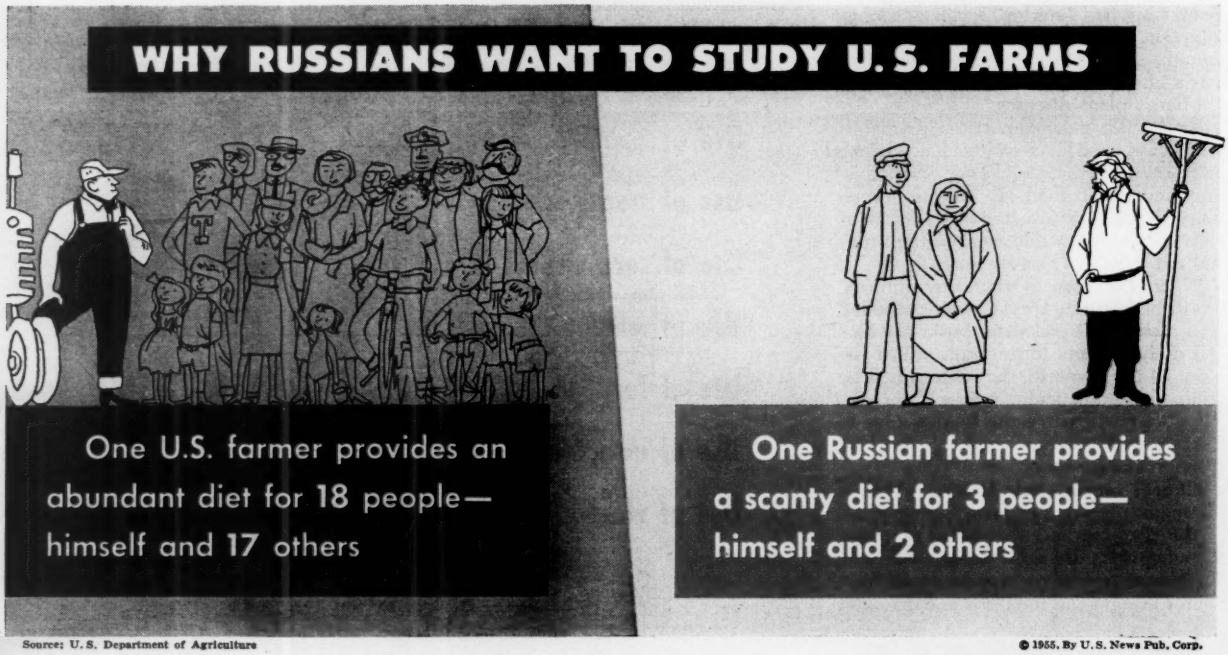
Developments similar to those on the Nelson farm are taking place, too, in the barns and feed lots of farmers who fatten hogs and beef cattle. And on an egg-producing farm in northwest Illinois, a series of electrically powered conveyers, grinders and blowers pulls shelled corn from a bin, pulverizes it, mixes it with the proper amounts of oats, alfalfa and protein supplement. This feed mixture is blown through a pipe to a storage bin above the chicken house. From there it is metered automatically to the laying hens.

Some problems, too. The Russians will find that, despite the efficiency of American agriculture, its farmers are faced with some real problems. By-products of farm mechanization and the trend to larger farms are a squeeze on small farmers and difficult financing problems for young people getting started in farming.

Some farm officials feel that the traditional pattern of "family farming" in the U. S. is on its way to being replaced by "factory farming" because of the increasingly high capital requirements of efficient farming. However, a sampling of opinion among the nation's farm leaders and economists reveals that the majority believe that the family farm is going to be around for a long time.

Aid for small farmer. There are many signs that the nation plans to stick by the family farm. Congress last year rewrote farm-credit legislation in an effort to make it more adequate for the high capital needs of today's agriculture. The Eisenhower Administration this year offered a program to ease problems for low-income farmers. Many country bankers have worked out credit programs to enable young people to get a start in farming.

The problems of American agriculture are numerous, but U. S. farm leaders are agreed that the bulk of them stem from too much efficiency. In the opinion of these farm leaders, the visiting Russian farmers would be more than happy to swap their problems, which stem from too little efficiency, for those of the American farmer.


WHY RUSSIANS WANT TO STUDY U.S. FARMS
One U.S. farmer provides an abundant diet for 18 people—himself and 17 others
One Russian farmer provides a scanty diet for 3 people—himself and 2 others

Source: U. S. Department of Agriculture
© 1955, By U. S. News Pub. Corp.

It Keeps Temperatures...and Tempers...Down!

THE sun glared, horns blared, tempers flared—another Sunday afternoon went up in the smoke and fumes of a traffic jam. But those days are past! Now you can keep your windows closed, shut out the noise, the dirt and the heat, keep cool and collected, thanks to automotive air conditioning and the G.T.M.—Goodyear Technical Man.

The G.T.M. was called in, when a leading manufacturer ran into trouble on the power take-offs for his compressor drives. Under-the-hood temperatures of up to 250° F. plus sudden speed changes from 600 f.p.m. to 7000 f.p.m. in a matter of seconds—proved too much for ordinary V-belts. They quickly scorched or stretched. Their short service caused frequent and costly adjustment.

The G.T.M. specified COMPASS-V-Steel Belts, sinewed with airplane-type steel cables, for these jolting drives. So well do these precision-built belts take heat and shocks in stride that one served for 80,000 miles—another for 70,000 miles. So well pleased was the manufacturer that COMPASS-V-Steel Belts are specified on all his units. How can they please you? For details see the G.T.M., your Goodyear Distributor or write Goodyear, Industrial Products Division, Akron 16, Ohio or Lincoln, Nebraska.

• • •

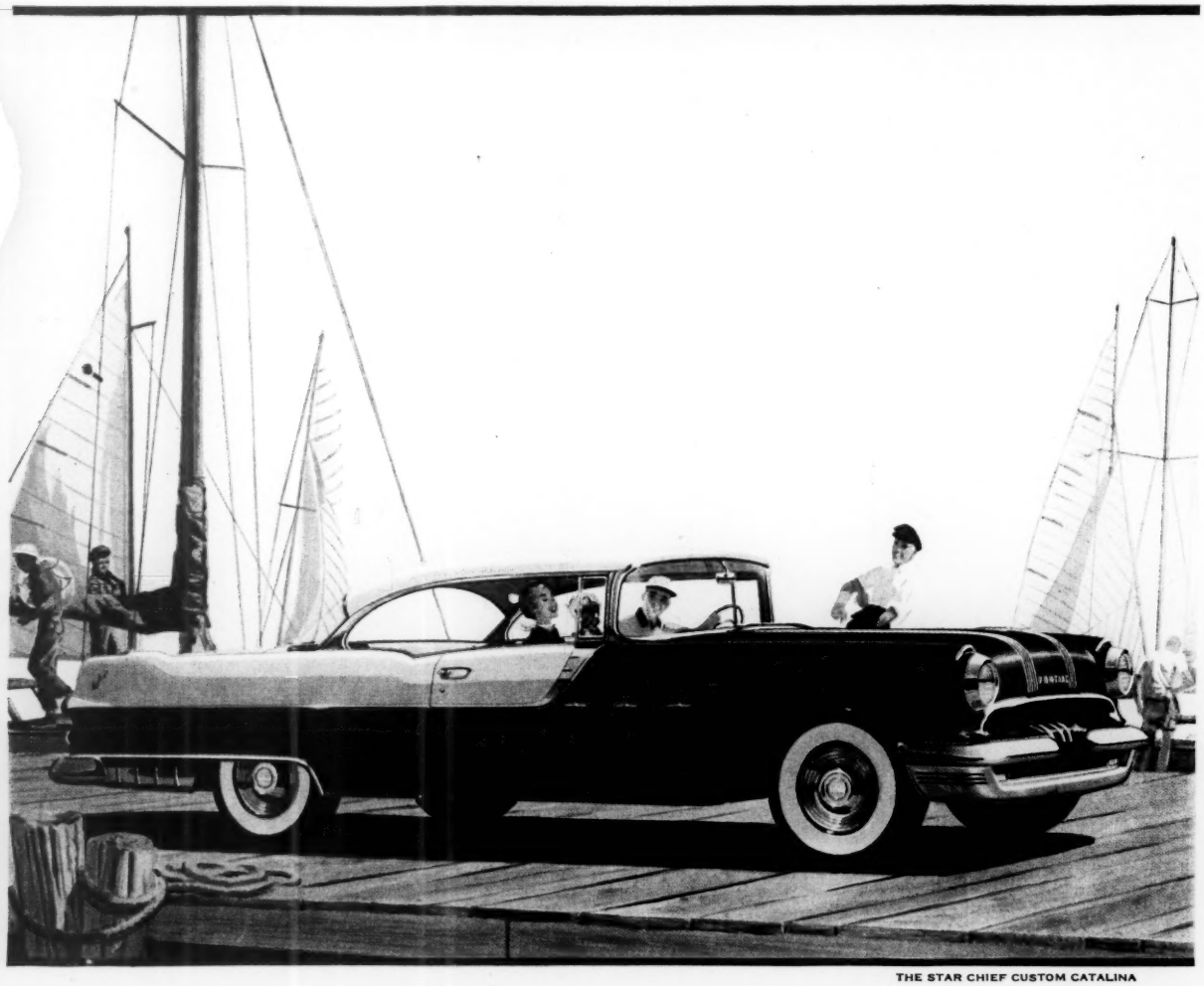
YOUR GOODYEAR DISTRIBUTOR *can quickly supply you with Hose, Flat Belts, V-Belts, Packing or Rolls. Look for him in the yellow pages of your Telephone Directory under "Rubber Products" or "Rubber Goods."*

GOODYEAR

THE GREATEST NAME IN RUBBER

Compass—T. M. The Goodyear Tire & Rubber Company, Akron, Ohio

At an All-Time High in Sales and Value!



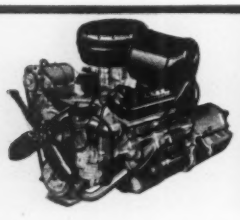
THE STAR CHIEF CUSTOM CATALINA

Pontiac has just set another sales record—topping by thousands of cars any like period in Pontiac history.

We're naturally pleased about that—but what pleases us most is the car we're placing in the hands of these new Pontiac owners. We've put more into this future-fashioned Pontiac than you'll find in any other make of car within hundreds of dollars of its price—more road-leveling wheelbase, more big-car stability, more beautiful distinction, more blazing horsepower. A Pontiac steps you at once into the company of fine-car owners—and so easily, for Pontiac's exclusive Strato-Streak V-8 performance, Vogue Two-Tone styling and luxury-car size can be yours at very modest cost.

Now you begin to see what's back of the record-breaking surge to Pontiac. You'll see it even more plainly when you drive this pace-setting car—*and this is the time to do it*. Your Pontiac dealer's volume sales permit the year's top trade-in allowance *right now*. See him for the facts and a ride—today.

Pontiac Motor Division of General Motors Corporation



Here's why Pontiac is the most powerful car at its price. The Strato-Streak V-8 engine, standard with all models, delivers 200 H.P. with the optional, extra-cost, four-barrel carburetor.

Pontiac

WITH THE SENSATIONAL STRATO-STREAK V-8

What Will Cost More Now

Things Made of Steel . . . a Lot of Others Too

Is inflation to be touched off anew by wage hikes and booming business?

Part of the answer is revealed in major industries. Prices of steel, paper, other basic materials are going up. Elsewhere, costs are going down.

A study of the changes shows why, despite inflationary pressure, no sharp rise in living cost is imminent.

A great many things are going to go up in price in the period just ahead.

The price of steel is being raised an average of $7.35 a ton. That raise is going to be reflected gradually in everything from nails to automobiles and tanks. Prices are higher, too, for copper, tin, zinc, rubber, lumber, cement, paper.

These and other increases are showing up in building materials, in tires, and in the price to be paid for advertising. Once again it is going to cost more to build a house, and the chances are that it will cost more to furnish that house.

Rising prices are going along with rising wages. Auto workers got a direct raise of around 7.5 cents an hour, plus fringe benefits and unemployment guarantees that sent the "wage package" to 20 cents. Steelworkers are getting a pay increase of about 15 cents an hour. These are just samples. Wage and salary trends still are upward. And, as wages rise, industry faces an increase in costs. Higher costs add to pressure for higher prices.

Not all wage rates, however, are rising. Not all prices are going up, either.

Experience shows that the wage increases won by some groups of workers are seldom spread evenly over the whole working force. Auto workers, for example, are getting a direct wage increase this year of about 3.5 per cent. Steelworkers are getting a raise of around 7 per cent. But indications are that hourly wage costs, generally, will not rise more than 2.4 per cent.

Wholesale prices down. Experience shows, further, that higher wages are not fully reflected in higher prices. The chart on this page shows, in fact, that prices have declined in some years even though higher wages were paid. Only in 1951 did price rises outstrip the rise in wages—and that resulted from the hectic buying wave touched off by the Korean war, rather than from rising labor costs. This year, wholesale prices, on the average, are expected to be down slightly—probably around 0.3 per cent—chiefly because of further drops in farm prices.

Actually, a good part of rising wage costs may be absorbed by the improving efficiency of American industry. Since 1948, the average output per hour of an American workman has increased about 3.3 per cent a year. This year, the improvement in efficiency is estimated at 3 per cent. That means, in effect, that over-all costs of production may decline somewhat, since the gain in efficiency appears to be running slightly ahead of the gains being made in wages.

Nevertheless, rising wage costs are putting an upward pressure on prices. The steel-price rise alone is estimated to add about $19 to the cost of a moderately priced home, $15 to the cost of a passenger car, 90 cents to the cost of a refrigerator, range or steel desk. But other costs are rising, too. And wage raises are sure to spread, even though the increases may not be as large as those given steelworkers.

In addition, industrial activity is rising. That supplies another condition that usually is favorable for price rises.

A $70 boost for autos? The over-all increase in the cost of manufacturing an automobile is likely to come to $70. Whether the entire increase in cost will be passed on in price remains to be seen. But it is certain that producers will try to cover as much of their cost increases in price rises as possible.

In other areas, however, prices probably will be steady or lower. Food costs are likely to be stable because of weak prices in farm commodities. Rents seem to have stopped their rise and are declining in some areas as the housing boom makes more space available.

For several years, the price level has been unusually stable, with rises in one area offset by drops in other fields. Signs now are that upward pressures, over all, may tend to outweigh downward pressures on prices.

If Wages Go UP, Do Prices Follow?

HERE'S THE RECORD

YEAR	WAGE COSTS ROSE THIS MUCH	WHOLESALE PRICES THEN DID THIS
1948	UP 8.9%	ROSE 0.3%
1949	NO CHANGE	FELL 5.0%
1950	UP 7.6%	ROSE 3.9%
1951	UP 8.4%	ROSE 11.3%
1952	UP 4.3%	FELL 2.8%
1953	UP 4.6%	FELL 0.5%
1954	UP 2.7%	ROSE 0.2%
OUTLOOK FOR 1955	WAGE COSTS UP 2.4%	WHOLESALE PRICES DOWN 0.3%

Basic data: Official Government figures; 1955 estimates by USN&WR Economic Unit

© 1955, By U. S. News Pub. Corp

For Youths, Veterans, Reservists—

CHOICES YOU FACE IN MILITARY DUTY

Military manpower rules are up for a change again. Congress has a new plan for the Reserves.

Changed rules will be important to high-school graduates, veterans, men in service, youths awaiting the draft.

Plans feature a short-term training system for some youths, new penalties for men who fail to take Reserve training.

At last, the chances are good that youths will be given a clearer blueprint of the military service that is to be required of them.

A draft to get men for the standing Army is to go on for four more years at least. That is law. Under that law, just approved by Congress, every able-bodied youth remains subject to draft up to age 26. Those who take deferments, such as college students, remain draft-liable to the age of 35.

Now Congress is on the verge of spelling out in detail another type of military obligation—the Reserve duty that every able-bodied youth theoretically is liable for.

In setting up a new system for the Reserves, Congress also is opening the door for many youths to bypass the draft entirely and satisfy all of their military obligations by a long hitch in Reserve units.

You get from the chart on page 37 some idea of the many choices that a youth will face, if the present Reserve plan goes through as now written. This plan already has been approved by the House. Some changes may be made in the Senate. There are details of this latest substitute for a system of universal military training that you need to know about.

What you find, basically, is this:

Youths under 20. A high-school graduate under the age of 20 is going to be offered a chance to take six months' training with the branch of service he prefers, as a substitute for 24 months of Army service required of a drafted man—if the present plan is finally approved.

This opportunity will be opened for 250,000 youths each year, presumably on a first-come, first-taken basis.

For those who choose this course and get accepted there will not be a two-year draft. Instead, these youths will go to a basic-training camp for six months, then come home and train for 7½ years with a Ready Reserve unit.

Draftees. Youths in their early 20s, who plan to wait until they are drafted into military service, also have a stake in the plans for the Reserve.

—Dept. of Defense

FOR YOUNG RESERVISTS . . .
. . . a new set of rules

Since the six-month training program will siphon off a large number of youths from the manpower pool, local draft boards will have fewer men available to meet draft calls. So an individual's chance of being drafted will increase somewhat after the Reserve plan begins to function.

Even so, under present manpower ceilings in the armed forces, it's expected that about one out of every three able-bodied youths who reach draft age in the next four years will not be called for duty in either the active forces or the Reserves. The youth population is rising faster than military manpower needs.

Veterans. Men who already have returned to civilian life after active duty are to be affected favorably by the new Reserve rules. They now are legally subject to $10,000 fine or a prison sentence if they are not training with active Reserve units—and few of them are, because Army policy has been not to enforce the penalties for nonparticipation, and few veterans have volunteered for Reserve units.

The new plan would free these men from all active Reserve duty, if they served as much as a day prior to July 27, 1953, the Korean-truce date.

They will pass into the Standby Reserve, which is subject to call only in time of war. Even that obligation will end six years from the date of the veteran's entry into the armed forces. At present, men discharged after June 19, 1951, are listed for eight years of military obligation.

Men in service. A man in service and due to get out in months ahead will be assigned to a Ready Reserve unit for at least a year. Under the House-approved plan, if a veteran doesn't show up for drills, he will be subject to reinduction into the armed forces for 45 days. If he continues to flout his Reserve obligation, he is to be subject to court-martial, which can bring a dishonorable discharge, or a prison sentence.

Some Senators oppose such "sanctions." They favor offering veterans a bonus to volunteer for the Reserves.

Ready Reservists. Men in this group, including youths who are assigned to this Reserve after six months' training, will attend 48 weekly drills in the course of a year under the new plan. They will go on maneuvers each year for 17 days; be paid a day's pay for each drill. They can be mobilized at any time by the President.

Specialists and essential workers. A highly important feature of the new Reserve plan is its emphasis on the possibilities for transfer to a Standby Reserve, for skilled youths who complete a tour of active duty—either in service, or as six-month trainees.

The idea is that once a youth reaches the Ready Reserve he can shift over into the less demanding, more protected, Standby Reserve, if he becomes an essential worker in industry, or a specialist in a critical field such as medicine, teaching, engineering, science.

Assuming House-approved bill becomes law—

NEW RESERVE PLAN—IT MEANS THIS

FOR YOUTHS UNDER AGE OF 20

You will have 5 ways to satisfy military obligations:

a. Volunteer for Reserves of any service; take 6 months' training followed by 7½ years of weekly drills and annual 17-day maneuvers. (Limited to 250,000 applicants a year.)

b. Volunteer for 2 years' Army draft duty, or 2 years' active duty in any Reserve, followed by 3 years in Ready Reserve, 1 year in Standby status.

c. Enlist for 3 years in Army, or 4 years in Navy, Air Force, Marines, followed by 2 to 3 years in Reserves.

d. Volunteer for National Guard; take weekly drills, annual maneuvers, until age 28.

e. Wait for draft; if selected, serve 2 years in Army, 4 years in Reserves.

FOR YOUTHS AGED 20 OR OLDER

You will get 3 choices:

a. Enlist in Reserve of any service for 6 years, including 2 years' active duty.

b. Volunteer for Army draft duty or regular enlistment, followed by 2 to 4 years in Ready and Standby Reserve.

c. Wait for draft; if selected, serve 2 years in Army, 4 years in Reserves.

FOR SPECIALISTS AND SKILLED WORKERS

If your specialty is designated "critical" by the President:

You can volunteer for 6 months' training plan, regardless of your age. Specialists likely to get this offer are scientists, engineers, skilled machinists.

FOR VETERANS

If on active duty prior to July 27, 1953 (Korean Truce):

a. After release from active service, you need not drill with Ready Reserve.

b. All your involuntary duty will end after 6 years, instead of 8 as now required.

FOR FUTURE VETERANS

After active duty, you'll go to Ready Reserve for 1 to 3 years, depending on prior service; then you'll be in Standby Reserve for 1 year.

a. In Ready Reserve — You will attend 48 weekly drills, 17 days' active duty per year or be subject to reinduction for 45 days' active duty. President can call you any time.

b. In Standby Reserve — You will take no training, can be called only if Congress declares an emergency and your draft board selects you for further duty.

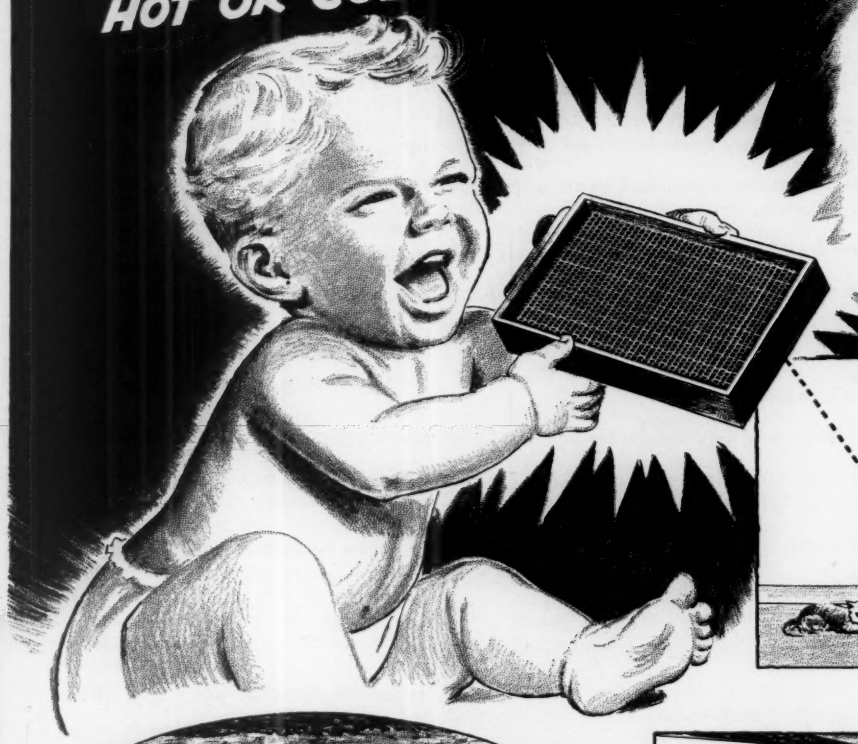
FOR "ESSENTIAL" WORKERS

Under standards to be set by the President, men with critical skills, combat experience, or "hardship" status, can be transferred at any time to the Standby Reserve, after as little as 6 months' active duty.

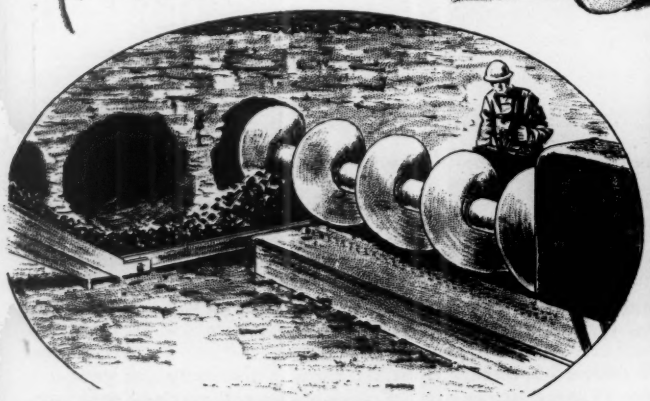
© 1955, By U. S. News Pub. Corp.

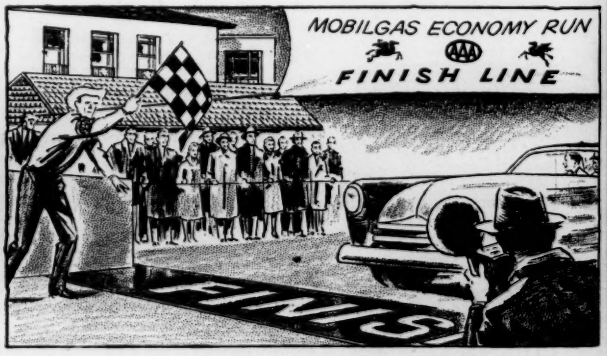
NEWEST HOME AIR CONDITIONING— BABY RADIATORS THAT CAN BLOW HOT OR COLD!

RIPLEY'S



IN THE NEW CENTRAL SYSTEM **AIR CONDITIONING** DEVELOPED BY **B-W'S HYDRALINE**, TINY RADIATORS PERMIT YEAR 'ROUND HOME TEMPERATURE CONTROL AT LOWER COST. THESE RADIATORS, MOUNTED IN RECESSED WALL UNITS, CIRCULATE HEATED OR CHILLED WATER. AS AIR IS FORCED OVER THEM BY INDIVIDUAL FANS, THEY BLOW HOT OR COLD. ONLY 9" X 5", YET EACH CAN DELIVER THE HEAT OF 50 SQ. FT. OF HEAVY RADIATORS OR THE COOLING OF 1/3 TON OF ICE AN HOUR. MANY NEW HOMES AND COMMERCIAL BUILDINGS ARE BEING AIR CONDITIONED B-W'S NEW WAY.





200-FOOT CORKSCREW PULLS OUT "BOTTLED-UP" COAL!

WHEN EARTH COVERING COAL SEAMS IN OPEN-PIT MINES IS TOO DEEP FOR STRIPPING, THIS HUGE CORKSCREW DRILL IS USED. BORING HORIZONTALLY INTO THE EXPOSED SEAM, IT RECOVERS 500 TONS A DAY. TO DELIVER ENGINE POWER TO THE MASSIVE DRILL, THE MAKER CHOSE A **CLUTCH** FROM **B-W'S ROCKFORD CLUTCH**. TOUGH, SLIP-RESISTANT, IT TAKES REPEATED SHOCKS AND HEAVY DRILL STRAIN.

B-W AUTOMATIC TRANSMISSION WINS IN GAS ECONOMY RUN!

THIS YEAR, EVERY CAR IN AMERICA'S GREATEST GAS-SAVING CONTEST WAS EQUIPPED WITH AUTOMATIC TRANSMISSION. YET A CAR WITH A B-W AUTOMATIC BEAT THEM ALL FOR OFFICIAL TON MILES PER GALLON. HIGH EFFICIENCY IS ONLY ONE BENEFIT OF B-W'S AUTOMATIC DRIVES. THEY GIVE SPLIT-SECOND RESPONSE... A SINGLE UNBROKEN SURGE OF POWER. THERE'S SMOOTHNESS AND QUIET AT EVERY SPEED.

185 PRODUCTS IN ALL ARE MADE BY BORG-WARNER

Believe It or Not!

ENGINEERING B-W PRODUCTION

BORG-WARNER SKILL AND INGENUITY BENEFIT ALMOST EVERY AMERICAN EVERY DAY THROUGH THE AUTOMOTIVE, AVIATION, MARINE, FARM MACHINERY AND HOME EQUIPMENT FIELDS!

19 OUT OF THE *20* MAKES OF CARS CONTAIN ESSENTIAL *B-W* PARTS. EVERY COMMERCIAL PLANE AND MANY SHIPS HAVE VITAL *B-W* COMPONENTS. *9* OUT OF *10* FARMS USE *B-W* EQUIPPED MACHINES. MILLIONS ENJOY *B-W* HOME EQUIPMENT AND APPLIANCES.

DEATH BY BURNING FOR STARTING A FOREST FIRE!

SO VALUED WERE THE FORESTS OF ANCIENT JAPAN THAT A PERSON CAUGHT SETTING ONE AFIRE WAS CONDEMNED TO BE BURNED ALIVE AT THE STAKE. TODAY, IN THE U.S., 400 PEOPLE EVERY DAY SET FIRE TO FORESTS. NOT DELIBERATELY, OF COURSE, BUT THROUGH CARELESSNESS. DON'T YOU BE ONE OF THESE CARELESS PEOPLE. BE SURE SMOKES AND MATCHES ARE REALLY OUT BEFORE DISCARDING.

MAKING HAY WHILE THE MOON SHINES!

NOW FARMERS CAN MOW HAY IN THE AFTERNOON, DRY IT THAT NIGHT. A NEW CROP DRYING MACHINE DOES THE JOB. IN IT A HUGE FAN BLOWS FLAME-HEATED AIR THROUGH. THE WAGON LOAD, DRYING A TON AN HOUR. TO PROVIDE TREMENDOUS AIR VOLUME THAT REMOVES MOISTURE FAST, A HEAVY-DUTY DRIVE SHAFT MADE BY **B-W'S MECHANICS UNIVERSAL JOINT** COUPLES THE FAN DIRECTLY TO THE ENGINE.

WORLD'S FIRST JET FLYING BOAT SOWS MINES AT OVER 600 MPH!

RIVALING FIGHTER PLANES FOR SPEED, NAVY'S XP6M SEAMASTER CAN MINE AN ENEMY HARBOR IN SECONDS— OR CARRY OUT HIGH-SPEED RECON OR BOMBING OF ANY PLACE ON EARTH. FOR FULL, UNINTERRUPTED POWER NEEDED FOR SUCH SPEED AND MOBILITY, THE SEAMASTER DEPENDS ON 4 SPECIAL **FUEL PUMPS** TO FEED ITS JET ENGINES. **B-W'S PESCO** MAKES THESE PUMPS -- BUILDS IN BOTH ACCURACY AND STAMINA.

These units form BORG-WARNER, *Executive Offices, 310 S. Michigan Ave., Chicago.* **DIVISIONS:** ATKINS SAW • BORG & BECK • CALUMET STEEL • DETROIT GEAR • FRANKLIN STEEL • HYDRALINE PRODUCTS • INGERSOLL CONDITIONED AIR • INGERSOLL KALAMAZOO • INGERSOLL PRODUCTS • INGERSOLL STEEL • LONG MANUFACTURING • MARBON CHEMICAL • MARVEL-SCHEBLER PRODUCTS • MECHANICS UNIVERSAL JOINT • NORGE • PESCO PRODUCTS • ROCKFORD CLUTCH • SPRING DIVISION • WARNER AUTOMOTIVE PARTS • WARNER GEAR • WOOSTER DIVISION • **SUBSIDIARIES:** BORG-WARNER ACCEPTANCE CORP. • BORG-WARNER INTERNATIONAL • BORG-WARNER, LTD. • BORG-WARNER SERVICE PARTS • LONG MANUFACTURING, LTD. • MORSE CHAIN • MORSE CHAIN OF CANADA, LTD. • REFLECTAL CORP. • WARNER GEAR, LTD. • WAUSAU MANUFACTURING CO. • WESTON HYDRAULICS, LTD.

21 American GI's Who Chose Communism

This is the story of 21 unusual American soldiers. Seventeen of them are living, by choice, somewhere in Red China. One died, mysteriously, in that Communist land. Three are returning home to face possible punishment in the land they repudiated in January, 1954.

These are the 21 turncoats of the Korean war. They are the only American prisoners of war ever to prefer life with enemy captors to life in the U. S.

Who are these men? What makes them tick? To get the answers, Virginia Pasley visited their homes in various sections of the country; talked with their families, white and Negro; consulted their Protestant and Catholic pastors. On these pages are the answers she found.

21 American GI's Who Chose Communism

This is the story of 21 unusual American soldiers. Seventeen of them are living, by choice, somewhere in Red China. One died, mysteriously, in that Communist land. Three are returning home to face possible punishment in the land they repudiated in January, 1954.

These are the 21 turncoats of the Korean war. They are the only American prisoners of war ever to prefer life with enemy captors to life in the U. S.

Who are these men? What makes them tick? To get the answers, Virginia Pasley visited their homes in various sections of the country; talked with their families, white and Negro; consulted their Protestant and Catholic pastors. On these pages are the answers she found.

(The book, "21 Stayed," by Virginia Pasley, is being published by Farrar, Straus and Cudahy, Inc., New York. Copyright on the book is held by Virginia Pasley. Any permission to reprint from the book, including the portions printed here, must be obtained from Farrar, Straus and Cudahy, Inc.) Extracts from the book follow:

by Virginia Pasley

ON JANUARY 23, 1954, twenty-one American youths, all but one brought up in American towns and rural communities, educated in American schools, all trained in an American army, turned their backs on family and friends, home and country to accept the philosophy and the way of life of the Chinese Reds who had held them in Korean prison camps for three years or more.

* * *

Why did they do it? Was there anything they had in common? Could a clue be found in their backgrounds, their early lives, their schooling? Was the army to blame? Or was it just fate and circumstances?

* * *

[To get the answers,] I traveled more than fifteen thousand miles into twenty-three states. I went to the home towns of every one of the twenty-one, and if their families had moved, to the new home towns; to cities like Detroit and Providence and Baltimore, Memphis and Jacksonville; to hamlets barely on the map, Texon and Blooming Grove, West Fort Ann and East Carondelet; down dirt roads to farms in country about as far back as you can get.

I talked to families and friends, to neighbors and relatives, to storekeepers and employers, to teachers and preachers and welfare workers.

* * *

COWART: "Bill's Childhood Was Clouded"

- **Pfc. William A. Cowart**
- **of Dalton, Ga.**
- **born January 10, 1933**
- **enlisted January 7, 1949**
- **24th Division**
- **captured July 12, 1950**
- **Protestant**
- **3 years high school**
- **average I.Q.**

The Army Reported:

According to returned prisoners of war, he ingratiated himself with the Chinese Communists by volunteering to write articles for the Communist publication Toward Truth and Peace *and by making propaganda recordings. While he had no special or regular duties, he aided the Chinese by writing for Communist publications, by* informing *on fellow prisoners, and by preaching Communism among them. He was convinced by the Chinese that collaborating with them would insure a fruitful and happy life.*

[Editor's Note: Pfc. William A. Cowart is one of those who changed their minds, and asked to come home]

"I have learned a very valuable lesson since becoming a prisoner of war and that is that education is a very wonderful thing. I only wish that I had continued mine when I had a chance."

These sentiments were expressed by William Cowart of Dalton, Ga., in a letter he wrote from prison camp to the students and faculty of the high school he quit to enlist in the army. . . .

"I've gone too far; I can't go back," he told the only man in his hut still on speaking terms with him since he had become a progressive. That was just before the armistice was signed ending the Korean war.

"He came over and told me that he had just been to regimental headquarters and had agreed to refuse repatriation," James Wilson of Chattanooga, Tenn., a returned prisoner of war, said. "I tried to argue him out of it. But he said it was too late; that he didn't have any friends anyway; that no one would talk to him. I never saw him again."

What happened to bring this sturdy, handsome Georgia boy, who gave his mother no peace until she signed his enlistment papers, to the point of no return?

Wilson only knew the surface details.

* * *

He told me: "The boys knew someone was informing on them. Cowart was in the good treatment class and it looked like he was the one. No one would speak to him any more. We had a big fight in the compound once—the progressives, pro-Chinese against the rest of us. After that he took to going up to regimental headquarters and staying there most of the time!"

Dalton, Ga., where Bill Cowart was born and grew up, [is] a bustling mill town, heart of the long-booming chenille bedspread industry.

* * *

Billy's parents worked in the mills. . . . An only child and adored by his mother, Bill's childhood was clouded by the trouble which led to a break between his father and mother, culminating in a divorce when he was six. He saw his father only once more, when he was fourteen.

"He ducked his head down, like he often did when there were adults around," a neighbor recalled, "and ran out of the house and didn't come back until his father had left."

* * *

Billy's I.Q. was rated average, but he was in the lower quarter of his class and had failed three subjects when he left school. If he had stayed he would not have been able to graduate with his class.

* * *

"He pretended he didn't care about people but he really wanted to be popular," one teacher said. "He just went about it in the wrong way. In his attempt to stand out he only made himself look foolish. He would wear odd clothes, hats with trinkets or bells on them to get attention. Or he would stay outside the classroom until after the bell rang so he could get noticed by being late."

* * *

(Continued on page 42)

(Copyright 1955 by Virginia Pasley)

. . . "Otho brooded over the death of his mother"

Billy Cowart enlisted in the army in January of 1949, a few days before he was sixteen, according to his mother; seventeen, according to the army. He was in the 24th Infantry Division and was one of the first American soldiers to be put in the front lines and one of the first to be taken prisoner—less than three weeks after the start of the Korean hostilities.

* * *

BELL: "He Spent Three Years In the Eighth Grade"

- Pfc. Otho G. Bell
- of Hillsboro, Miss.
- born January 23, 1931
- enlisted January 29, 1949
- 2nd Division
- captured November 30, 1950
- Protestant
- 8th grade
- low I. Q.

The Army Reported:

According to returned prisoners of war, Bell voluntarily attended Communist indoctrination meetings and assisted the Communists in their efforts to get other prisoners to accept Communism. He made propaganda recordings and signed peace petitions. For his willing efforts, he was made a mail orderly.

[Editor's Note: Pfc. Otho G. Bell is one of those who changed their minds, and asked to come home]

OTHO BELL was twenty-three on January 23, 1954, the day his native land receded from him forever, the last day when he could change his mind and go back to his wife and the daughter he had never seen, the farm in Mississippi where he had been raised.

Otho's mother was twenty-three the day she died, January 23, 1931—the day he was born—

* * *

Despite his mother's youth when she died at his birth, Otho was her fifth child. His father remarried when Otho was seven months old and there were six more children by this marriage.

"He was just the same as my own, I had him so young," the second Mrs. Bell told me. "He was just as much mine as the next one who's only a year and half younger. Seems like I thought more of him at times then the others."

But Otho knew that his own mother had died when he was born. Away from home he brooded over it and felt that he was less favored than his younger half brothers and sisters. In a way it was true. Times were a little easier as the younger children came along. The 160 acres of sandy soil which the father was making into a farm began to pay off and the younger ones had things that Otho had had to do without. He was too young to understand the reasons.

The farm is a few miles down back roads from Hillsboro, Miss., a hamlet consisting of two general stores, a tiny post office, a filling station and a feed store. The family is old Mississippi stock on both sides and has lived in the area for some generations.

The farmhouse has always been too small for the burgeoning Bell family and there are beds in every room.

* * *

Otho's father has pushed himself to the limit to put the farm on a paying basis and it finally is. The family now has a tractor, a shiny new car, an enormous chicken house and twenty-three head of cattle.

Bell worked hard and expected his boys to do likewise; he expected them to come a-running when he called them and they did—Otho in particular.

"He was a real good worker," his father says of him: "He was one of the best workers I ever saw. He was strong and healthy. I always taught my children to work. If boys don't work they do something else like stealing or robbing banks. He was easy to manage. I could just scare him into doing anything I wanted him to do."

Otho was a "good little boy," everybody who knew him agrees, who may have been "mischievous on occasion," but never got into fights, never caused anybody any trouble.

Growing up, he worked hard and played hard, picking cotton in the fields, hunting for possum and squirrel in the woods, fishing the streams for cat and trout. He didn't like school and didn't do well there. He spent three years in the eighth grade.

* * *

When Otho was making one of his tries at the eighth grade, his class was transferred to the new Consolidated School at the county seat, Forest, a booming lumber and chicken-processing center.

If he hadn't liked school before, he really hated it now. The town children were "uppity" to the country school transfers and Otho's family got him into another country school district where he got his diploma finally, complete with cap and gown.

Otho didn't go on to high school. He was pleased to be out of the eighth grade at last and he was through with school. But he was restless. He wanted a car. He wanted to be a truck driver with a big trailer truck. He wanted to be a cop. He settled for an enlistment in the army.

With another local boy he ran off across the river to Louisiana and enlisted a few days after his seventeenth birthday. He lied about his age and was accepted. He didn't take much to army life and after a few months he wrote his father begging him to get him out.

"He was glad to get his pa's help to get him out," Mrs. Bell told me, "though he hadn't got his signature to get him in. He had a little spree with a rattletrap car he bought on his army pay. And then he was back in again, because they kept ding-donging at him about the other boy staying in even if he was underage too. He didn't want anybody to think he was chicken."

His second enlistment was a few days after his eighteenth birthday in January, 1949. He didn't like army life any better than he had before. He phoned home—collect—so often that the bills began to worry his father. He was always writing for money to come home on weekend leave and when he came home he never wanted to go back. Three times he overstayed and was convicted by courtmartial of being AWOL. He was fined a total of $125 and sentenced to seventy-seven days of hard labor for his offenses.

Then he was sent to Fort Lewis, Wash., near Seattle where he met his future wife. Jewell and he were married only a few months before the Korean war started. The 2nd Division was alerted for Korea early in July and landed at Pusan early in August. Paula was born just before he was captured in November of 1950.

* * *

GRIGGS: "He Didn't Mix Much With the Other Kids"

- Pfc. Lewis W. Griggs
- of Neches, Tex.
- born August 2, 1932
- enlisted August 4, 1949
- 25th Division
- captured April 25, 1951
- Baptist
- 2 years high school
- average I. Q.

The Army Reported:

According to returned prisoners, Griggs wrote articles for Chinese publications, tried to influence other prisoners by preaching Communism, circulated and signed peace petitions and voluntarily made propaganda recordings. He was an informer who collaborated with the Chinese in every way that would ingratiate himself to them. He was appointed to membership on a "peace committee."

[Editor's Note: Pfc. Lewis W. Griggs is one of those who changed their minds, and asked to come home]

NECHES, TEX., is a tiny farm community 120 miles from Dallas on U. S. 79.

* * *

It's a small frame house—the farm—where Lewis W. Griggs lived before he went into the army. It has a sign on it now: PRIVATE PROPERTY—NOT FOR SALE—KEEP OFF.

Lewis' father was an electrician, "did right well; worked for wages." He died while his son was in prison camp. Mrs. Griggs works as a practical nurse and lives in nearby Jacksonville with her remaining son.

Mention Lewis Griggs in Neches and they shake their heads. "He was a strange one," a neighbor reiterated. "He stood aloof. Didn't speak if he didn't care to. Town like this everyone knows everyone else. Speaks to everyone else. But he'd just go along with his head in the air. Wouldn't speak. Wouldn't even look at you."

* * *

"He didn't mix much with the other kids," one girl said. "His father was strict with him. Only place he could go was to church. He just wasn't like the rest of us."

The rural high school at Neches was consolidated with the city high school at Palestine and Lewis rode the bus eighteen miles to attend what turned out to be his last school session.

He was sixteen, big for his age, six foot two, and he played on the football squad, made the B team and got a letter. He got an 82 in algebra but barely passed his other courses, including a special course in U. S. and Texas Constitution, which is necessary for graduation.

"He had a nice smile but you seldom saw it," one teacher said. "He was a peculiar boy," said another.

* * *

He was absent a good deal from classes and after an incident on the school bus where some of the other students picked on him and teased him—no one remembers why or what about—he left high school. His family sent him to nearby Allen Military Academy, but he left there at the end of six weeks. The day after his seventeenth birthday he enlisted in the army.

Lewis became a stretcher bearer in a medical company in

(Continued on page 44)

The 21—
What They Had In Common

20 were regular army volunteers; only one was a draftee

20 had never heard of Communism except as a dirty word

19 felt unwanted by their fathers or stepfathers

19 were oldest or only boy in the family

18 grew up in poverty

18 took no part in school activities or sports

17 never finished high school

16 came from broken homes

16 were average or below in I.Q.

16 came from small towns or rural communities

16 were described as withdrawn, "lone wolves"

15 were 21 years of age or younger when captured

Only 3 had ever been in trouble with the army

Only 3 had ever been in trouble with juvenile authorities

Only 2 were married

Only 1 came fom a big metropolitan city

. . . "Corden ruled his men with arrogance, relentlessness"

the 35th Regiment of the 25th Infantry which landed in Korea on July 13, 1950. His company took much of the brunt of the first North Korean victories and fought its way up toward the Yalu River when the tide was turned. It was in the disastrous withdrawal that came with the Chinese entry into the field. Lewis was captured April 25, 1951, when the United Nations forces were about to repulse the last major Chinese attack.

° ° °

CORDEN: " 'We Are Not Communists, but Some of Us Hope to Be' "

- Sgt. Richard G. Corden
- of Providence, R. I.
- born January 2, 1928
- re-enlisted March 19, 1950
- 2nd Division
- captured November 30, 1950
- Catholic
- 2 years high school
- I. Q. high—134

The Army Reported:

According to returned prisoners of war, Corden volunteered for special duty with the Chinese Communists. As a result, he lived and worked at Chinese headquarters at two different prison camps. He volunteered for and served on a club committee which directed operations at one of the camps. He wrote pro-Communist articles for publication and informed *on his fellow prisoners. His rewards included better living conditions, better food and better medical treatment than that given his fellow prisoners. He is a key figure among the non-repatriates.*

THE AMERICAN SERGEANT strode up and down the compound like a young Napoleon, throwing back his cape with studied carelessness. Those who got close enough to see his features were appalled by the pervading bitterness of his lean, dark, handsome face.

This was Richard G. Corden, late of Providence, R. I., now leader of the twenty-one American prisoners of war who refused to return to their own country, choosing instead to stay with their Red captors. In the neutral compound at Panmunjom, where, under the armistice terms prisoners who refused repatriation were being held, Corden ruled his men with the arrogance of a corps commander and the relentlessness of a chain gang boss.

° ° °

One of the Indian guards, set up by the armistice to protect the compound, approached the barricades.

"We understand that one of the Americans wants to come out," he said.

Corden flung back his head. "No one comes out," he replied and strode away.

One more did though, in the final month of grace allowed after December 23, but that was all.

° ° °

Under questioning Corden said, "We are not Communists, but some of us hope to be," and indicated clearly that he at least was one who hoped to be.

Back home, those who loved him wept: his sister who had not seen him since she was twelve, his aunt, his step-grandfather, the mother of a friend with whom he had lived for awhile. There was no one closer than these.

° ° °

His father's precarious health colored Richard's earliest years. . . .

"He was a darling," says his aunt, now Mrs. Henry Mathieu. "But his father's illness had made the man irritable. When he was home he seemed to resent the boy. When Richard was naughty, his father would beat him unmercifully with the buckle end of a belt. . . ."

Corden's sister, Ursula Jean, was born when he was five and a half and Mrs. Corden never quite recovered her strength afterward. She died of pneumonia in February, 1935; three months later her husband died in a hospital in Portland, Me.

° ° °

Father James Lamb, now of St. Mary's parish in Pawtucket, but in those days with Sacred Heart parish in East Providence, remembers [the boy].

"There was something about the boy you couldn't touch," he said. "I was trying to help keep him out of the state training school. He had stolen some trinkets—ornaments off of cars. He seemed normal and healthy, but he had a way of withdrawing. He was a lively boy—and then he would go into his shell. You talked to him—but you did not always feel that you could reach him. There was something unfathomable about him, some deep hurt that you couldn't get to."

Despite Father Lamb's interest, the day came when Richard was sent to the state training school. Rhode Island laws make it mandatory that no information as to reason for entrance, length of stay or record at the school be given out. But it is known that Richard's infractions of the law were never more serious than the charge of stealing trinkets off cars.

° ° °

Richard ran away from the training school when he was fifteen and got himself a job as a welder at the Kaiser-Walsh shipyards which were going full tilt in 1943. He found himself a room at the YMCA. Juvenile authorities traced him there but let him alone. With his first week's pay he bought a record player and started collecting the classical records that were his hobby and his solace.

His school days were over. They hadn't amounted to much. He had gone to four different schools up to the eighth grade, two public schools in Pawtucket: Sacred Heart Parochial and East Providence Junior High in East Providence.

What grades he made were better than average and his I.Q. test, taken at the training school, gave him the unusually high score of 134, highest of all the twenty-one.

° ° °

With the end of the war, the work at the shipyards fell off abruptly and soon the plant was closed down entirely. Richard tried to get into the navy, was turned down because of his eyesight, and enlisted for a four-year hitch in the army in March of 1946.

° ° °

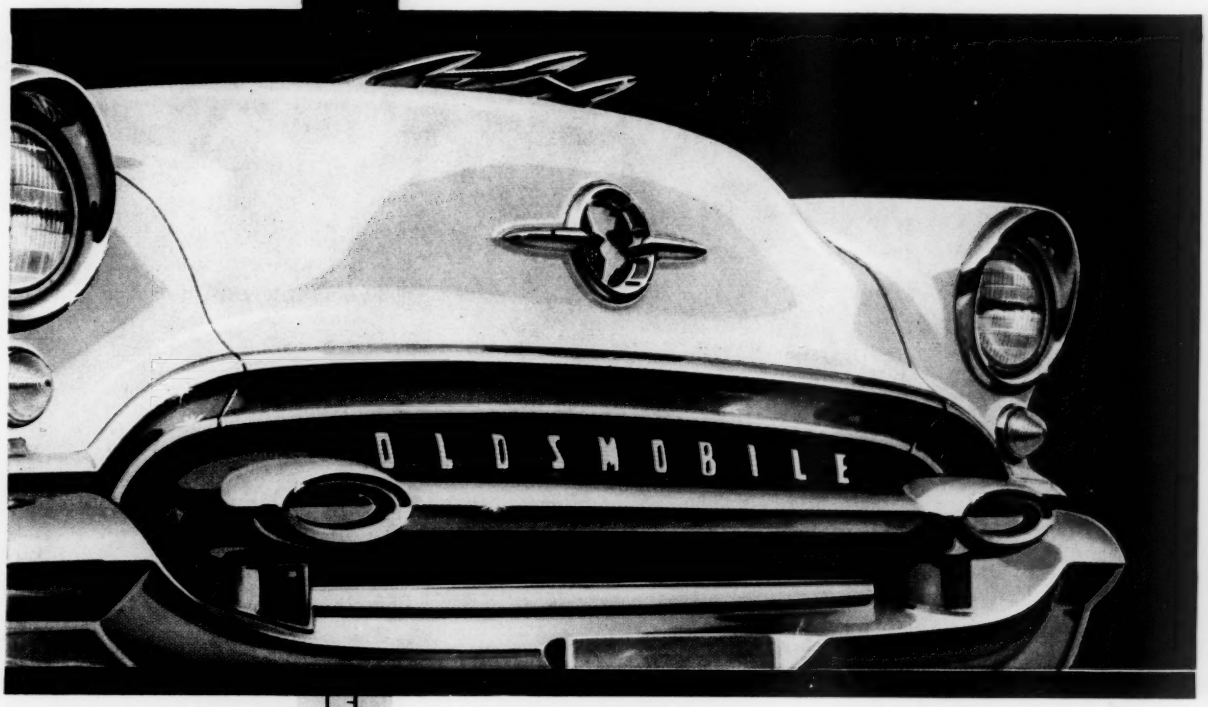
Because of his high intelligence rating, Richard was eligible for officers' training. Investigators for the army came to Providence and talked to his relatives and friends about his juvenile record. Evidently the stay at the state training school stood against him. He didn't get the chance to go to OCS.

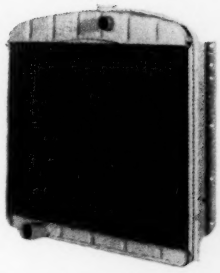
° ° °

He asked for foreign service and was sent to Germany in the Occupation Army. But before that he had gone AWOL and been convicted and fined $50. And he had met a girl.

(Continued on page 116)

COOL FRONT FOR 2,000,000 "ROCKETS"!





Every "Rocket" Engine is cooled by a rugged, reliable Harrison radiator!

Over 2,000,000 "Rockets" are rolling . . . *and Harrison's doing the cooling!* It's a milestone for Oldsmobile and for Harrison, too! For right on through the high-compression era, Harrison radiators have been *out front* . . . cooling each "Rocket" Engine for peak performance! What's more, you'll find Harrison heat exchangers on the job in the air and on the sea, on the farm and in the factory—on all types of aviation, marine and industrial equipment. And with its ultra-modern engineering and research facilities, Harrison is always searching for new and better ways to do the vital cooling job. If you have a cooling problem, look to Harrison for the answer!

HARRISON RADIATOR DIVISION, GENERAL MOTORS CORP., LOCKPORT, N.Y.

TEMPERATURES MADE TO ORDER

HARRISON

Gentlemen... the royal scotch...

fit for a **King**

Traditionally fine things inspire a special kind of loyalty. Once you experience the rich body and rare flavour of King George IV Scotch, you'll join the many around the world who are loyal to "the Scotch that wears a crown."

"King George IV"
SCOTCH WHISKY

FEW SUCH
PLEASURES
COST
SO LITTLE

86.8 PROOF 100% SCOTCH WHISKIES. IMPORTED BY NATIONAL DISTILLERS PRODUCTS CORPORATION, NEW YORK, NEW YORK

WHY ALL THE STOCK SPLITTING

It Cuts Prices—More Can Get Into Market

There's a new rush of corporations to trade two, three or more of their shares for each one outstanding.

General Motors is the latest to approve this high fashion in business finance.

Idea is to reduce a share's price and broaden the market for stock.

There are other results, all of them important to investors.

A split of 3 for 1 in the shares of General Motors Corporation will swell the total number of shares of that company to 279 million.

Each of those new shares, on the basis of the recent market price of old shares, will be valued above $40.

In 1950, five years ago, there were 44 million shares of General Motors stock. Investors at that time valued each of that smaller number of shares at $100.

The man who bought 100 shares of GM in 1950 for $10,000, and who held on to his stock, would have 600 shares valued in the market by investors at $25,550 after the split now scheduled.

This simple illustration shows how investor attitudes have changed in a relatively short period of time. It shows, too, why there is a growing question about where trends in the stock market are leading. Continued bidding up of stocks by investors raises the question of whether there is speculation and wide public participation under way that could lead to real excesses.

In the case of General Motors, investors apparently are expecting that there will be an increase in the amount of dividends paid. At present, the regular dividend is $4 a share. Now, these shares are to be split 3 for 1. Some investors hope that GM will pay $2 for each of the new shares, or a $6 rate of dividend figured on the unsplit stock. At a price of $40 and a $2 dividend, investors would realize a 5 per cent return.

GM is only the latest corporation to join in the rush to trade stockholders two, three or more shares for each one already held. So far, in 1955, more than 100 corporations have split their stocks,

(Continued on page 48)

SPLITS IN GM STOCK— How Shareholders Have Fared

***ILLUSTRATION:** A stockholder who bought 100 shares of GM stock early in 1920 for $245 a share, and has held on to this investment ever since.*

MARCH, 1920. GM split its stock, 10 shares for 1. A stockholder with 100 shares suddenly found that he had 1,000 shares. After the split, GM stock sold on the market for $25.38 a share. Value of 1,000 shares: **$25,380.**

SEPTEMBER, 1924. A reverse split this time, 1 new share for each 4 outstanding. Thus, 1,000 shares came down to 250. Market price had declined, so new shares were worth $60.75 each. Market value of 250 shares: **$15,187.**

SEPTEMBER, 1926. GM announced a 50 per cent stock dividend. Man owning 250 shares got 125 more, for a total of 375. Market was up. Each new share was worth $142. Market value of 375 shares: **$53,250.**

SEPTEMBER, 1927. Now a 2-for-1 split. 375 shares became 750. Market was booming. New shares sold for $135.38 each. Market value of 750 shares: **$101,531.**

JANUARY, 1929. Another split, this time 2½ for 1. Now 750 shares became 1,875. Market boom going strong. New shares worth $79.38. Value of 1,875 shares: **$148,828.**

OCTOBER, 1950. 2-for-1 split. Stockholder with 1,875 shares now had 3,750. Each of these new shares worth $50. Market value of 3,750 shares: **$187,500.**

JULY, 1955. GM announced a new split, 3 for 1, subject to approval by stockholders. 3,750 shares became 11,250. At July 6 closing price, new shares would be worth about $42.58 each. Market value of 11,250 shares: about **$479,000.**

35-YEAR RECORD—

★ **100** shares became **11,250** shares.

★ Original investment of **$24,500** swells to **$479,000—19.6** for **1.**

[continued]

WHY ALL THE STOCK SPLITTING

a new record and more than the number split in all of 1954. There's little doubt that this trend will go on.

All this serves to raise questions as to why corporations split their stock, and why stockholders are so jubilant when it happens. Part of the reaction is psychological.

Popular move. The fact that shareholders are fond of splits is apparent from the record. Even a rumor that XYZ Corporation is about to split its stock of late has been enough to attract a flood of buyers and send XYZ common soaring on the market. Last week, for example, shares of E. I. duPont de Nemours & Co. jumped $7 in price in one day on the strength of a rumored split.

Or take GM. Its shares were selling for $113.37 at the market's close July 5. That night came the news of the split. Next day, at the market opening, GM shares brought $128—up $14.63. Overnight, GM's 462,442 stockholders had made a paper profit of nearly 1.4 billion dollars. The buyer of 1,000 shares of GM on July 5 was ahead $15,380 if he sold at the peak on July 6.

Why splits are popular. Why have investors been bidding up the price of shares about to be split, often on no more than the rumor of a split? A shareholder owns no more of a corporation—no greater equity—after a split than he did before. His stake in corporation assets, or in earning capacity, remains unchanged. Then why are shareholders so hungry for splits?

For some investors, it's a matter of imagined riches—150 shares are more impressive than 50. The shareholder feels wealthier, after a split, even if he isn't.

For more individuals, however, the answer lies in the prospect for bigger dividends—a better yield on investments. Most companies contemplating a split plan—or hope—to pay out more dividends. Investors know from experience that—in prosperous times like these, at least—bigger dividends can follow a split.

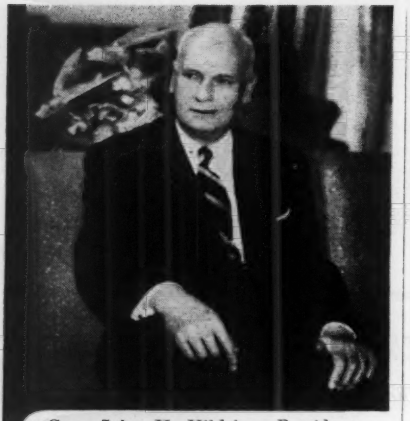
As a result, the corporation that has been paying, say, an annual dividend of $2 on its stock that sells for $50 is expected to pay out something more than $1 on each of its doubled number of shares after a 2-for-1 split. Sometimes, prosperous firms manage to continue the old dividend on each new share.

What investors often forget is that dividends depend on profits, and on the willingness and ability of corporations to share profits with shareholders. It's overlooked that a corporation's ability to pay out dividends is no greater after a split than before. And the possibility of harder times—and, thus, lower dividends—is not changed by a stock split.

Still, a check of the scores of corporations that have split their stock this year bears out the market expectation of high-

—USN&WR Photo

WHEN STOCKS ARE SPLIT
. . . the shareholders feel wealthier



Gen. John H. Hildring, President, General Aniline & Film Corp., on the UNITED STATES: "I like the *space* on board. Food and service are excellent."

Transatlantic Who's Who

World's fastest liner

S.S. UNITED STATES
*Less than 5 days to Europe

S.S. AMERICA
For extra hours of leisure at sea

Mr. and Mrs. Ethan Stroud from Dallas, Texas: "On the s.s. UNITED STATES you forget the word 'care' was ever in your vocabulary."

NO FINER FOOD AND SERVICE AFLOAT OR ASHORE

Consult our Authorized Travel Agents or

United States Lines

1 Broadway, N.Y.C. Digby 4-5800

er dividends—at least for shares split in prosperous times.

All this, to the seasoned investor, means a sharp price rise and a chance for quick profits when a stock is split during a boom market. The rush to get in on these profits can mean a price spurt even bigger than the dividend outlook justifies. A look at the shares that have been split this year bears out this prospect, too.

But why split? None of this, of course, explains why corporations split their shares—except that it all points to happier stockholders, and corporations like to keep stockholders contented. There are more practical reasons for a decision to split.

Big attraction, for most corporations, is offered by the lower market price of each share after a split.

After six years of an almost uninterrupted bull market, many shares sell for well over $100. Prices at that level tend to discourage small investors. A family on a fairly tight budget needs to save for weeks and weeks even to buy a share or two.

The lower price that follows a stock split, corporate managers know, will make a share more attractive to a great many people. News of a stock split, too, is expected to attract investors. It's regarded as good advertising, good public relations. Result, over all, can be a sharp increase in the number of people who own a corporation's stock. And a broad corporate ownership is one of industry's major goals.

Idea is that, the more people there are who own shares, the more people there will be who want corporations to do well, to earn good profits, to prosper and expand. And it means more people who will be sympathetic when corporations find it desirable to raise prices.

At the same time, a stock split that attracts new investors means a much bigger market for new stock whenever the corporation needs to raise new capital. Companies floating new stock issues normally offer the new shares first to existing shareholders. The more shareholders a company has, the better its chances for a successful new issue.

Employe stock plans. Now, a new factor—employe savings-incentive plans—has come into the picture to prompt stock splits, as the General Motors case illustrates.

In GM's case, it was no accident that the news of the stock split was accompanied by an announcement of a new stock-purchase plan for more than 100,000 of the company's salaried employes. The split means that employes will be able to buy more shares with their money.

(Continued on page 50)

every day is wash-day, now!

one more reason why our water supply is threatened!

Millions of thirsty new washing machines, air conditioners. Fast-growing, water-fed industries: chemicals, steel, synthetic fibers. Almost 100 million people served by public water supply systems — each using over 100 gallons daily! Demand for water is at an all-time high. Yet rainfall does not increase.

U. S. waterworks engineers . . . doing a magnificent job against great odds . . . warn that our supply is not endless. Last year alone a thousand American towns faced water shortages.

What can you do? At home, conserve. At the plant, look into possible water economies in production. As a citizen, learn about your community's water situation . . . support realistic water rates . . . cooperate with local authorities' efforts to keep your vital water supply adequate.

The time to act is — now.

Man's most dependable carrier of water — Cast Iron Pipe

This cast iron water main, laid in 1830, still serves Detroit, Michigan. Today, MODERNIZED Cast Iron Pipe, centrifugally cast, is even tougher, stronger. Cast iron's proved record of long, trouble-free life saves your tax dollars. Cast Iron Pipe Research Association, Thos. F. Wolfe, Managing Director, 122 So. Michigan Ave., Chicago 3, Ill.

WATER, your priceless heritage . . .
use it . . . enjoy it . . . protect it with . . .

CAST IRON PIPE

CAST IRON

H. Y. M.

—or

How you mix whisky

is your own business

THE OLD SCOTTISH POET James Hogg is said to have remarked that, with his favorite whisky, "I weel believe I could mak' drinking toddy oot o' seawater." That's going a little far, even with poetic license. But it reminds us that there are many opinions on the proper way of drinking fine Scotch whisky. Let's review some of them:

The Englishman takes Scotch with soda, and deplores the American habit of adding ice. The Scotsman, in turn, deplores the soda; according to one writer, he considers it an "obscenity". The Scot may add plain water, but is inclined to prefer his whisky neat.

Some Americans agree with the Scots. We recall one example, at a convivial gathering. One elderly gentleman ordered his whisky straight. The waiter asked, "What would you like for a chaser, sir?" The reply was, "Young man, the only chaser which should be permitted to follow fine Scotch whisky is a gulp of air!"

Other Americans prefer a mixer of some kind. Which is best with 12 year old Chivas Regal Scotch Whisky? The answer is simple. The way you prefer to drink it is best for *you*. Scotland's Prince of Whiskies is so mellow that it is delightful when taken straight. On the other hand, its majestic flavor will assert itself with the usual mixers.

We only wish the *supply* of this great whisky were as simple a problem. We have been in business in Aberdeen, Scotland, for 154 years. During that time we have perfected the art of blending Chivas Regal from thirty-three of the rarest distillations of Scotland, all of them 12 years old. We have learned how to create a masterpiece, but we have not found a way to produce this liquid treasure in vast quantities. Its supply is limited by its very nature. That is why your dealer or barman may occasionally be out of Chivas Regal when you ask for it. Please give him a second call!

•

BLENDED SCOTCH WHISKY
86 PROOF
CHIVAS BROTHERS IMPORT CORP.
NEW YORK, N. Y.

[*continued*]

WHY ALL THE STOCK SPLITTING

Under the new GM plan—assuming stockholders approve—salaried employes will be permitted to contribute up to 10 per cent of their salary for investment, one half in savings bonds and one half in GM stock. For each $1 put up by an employe, the company will put up 50 cents for investment in GM stock.

General Motors is but one of many corporations to start new savings-incentive programs in recent weeks and months.

Du Pont provides an illustration of the price problem. Du Pont, under its plan, will put up 25 cents for each dollar the employe invests in savings bonds, the company's contribution to be invested in Du Pont stock. Du Pont stock sells for around $245 a share. At that price, it will take the $100-a-week wage earner nearly two years to buy the savings bonds that will give him a claim on one share of Du Pont stock—even if he contributes the maximum of his own savings.

—USN&WR Photo

IN THE BROKER'S OFFICE
. . . sales are brisker

This is one major reason for reports of an impending Du Pont stock split—rumors like the one that sent Du Pont shares up $7 in one recent day.

More splits? Now, investors are looking around for other shares that seem likely candidates for a split, and looking longingly at opportunities missed in the past. What they find when they take a backward look at GM's shares is enough to excite any investor.

The individual who invested $24,500 in 100 shares of GM common early in 1920, and who hung on to his stock, now owns 11,250 shares of GM worth about $479,000 on the market—or will after the stock is split. Even that ignores stock rights issued to share owners when GM floated a new issue this past spring, and the cash dividends paid out over 35 years.

What many forget, however, is that GM offers the rare case of a corporation that got in on the biggest boom industry in U. S. history and managed to lead that industry for decades. Not all investors looking for opportunities in splits can count on being so fortunate as those who chose GM stock early.

Even in GM's case, the individual who put his $24,500 of savings into shares early in 1920 found that at one point—during 1932—his investment was worth less than $17,500, even after splits. On paper, he had lost more than $7,000. The stock market, at a record high in mid-1955, obviously can go down again at some future point.

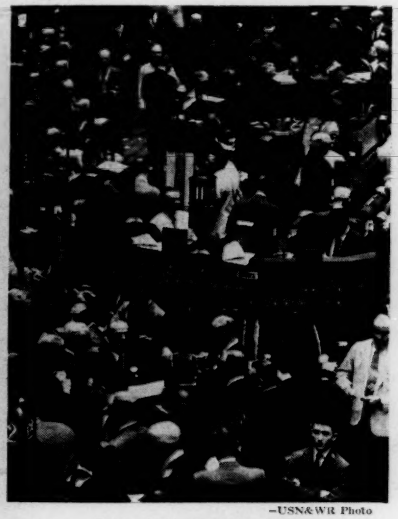
Owners of shares newly split, or soon to be split, in 1955 may or may not make their fortunes on these investments. For most, any fortunes that are made are unlikely to come quickly—as the GM story illustrated in the chart clearly indicates. And, for the long haul, investors may have to be prepared to hang on to their investments through periods of lower stock prices—and possibly through periods of unemployment when some families may be forced to sell their shares cheap.

Even so, announcements of more stock splits are sure to come in the weeks and months ahead. And they are just as sure to be greeted with cheers in board rooms of brokerage houses all over the country.

Speculation. To Administration officials charged with avoiding booms and busts the spate of splits is something else.

The wider public participation in stock ownership that corporations seek to achieve through stock splits, officials recognize, is fine for the corporations themselves. Also, Administration officials have stressed the good things that can come for the whole U. S. economy as a result of broader ownership of U. S. industry.

The trouble is that, with share prices at a record high, officials are not anxious to see more ordinary families, people



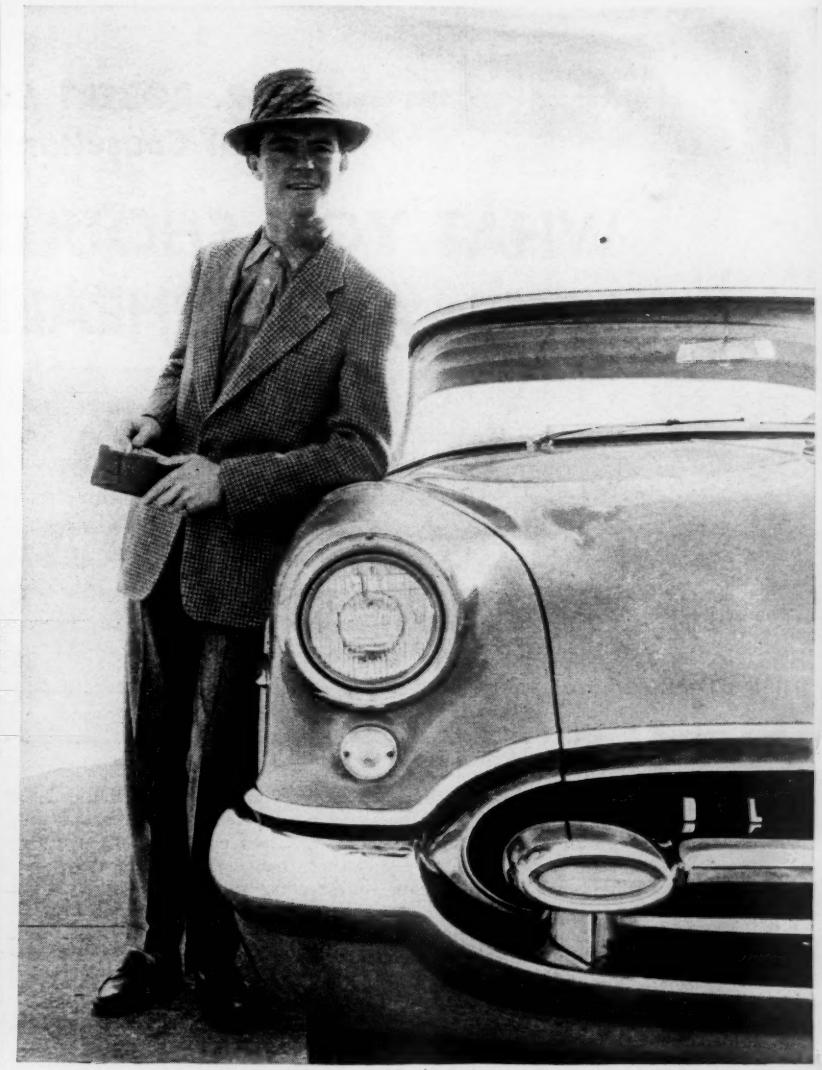
—USN&WR Photo

ON THE EXCHANGE
. . . prices go up

with limited resources, getting into the stock market. The rush to split stocks, and the price spurts that follow, thus, are being taken as signs and causes of possible excesses in the market. A continuation of the urge to split can be just one more factor prompting Administration money managers to take new action to curb the stock-market boom.

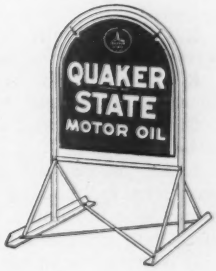
It could mean a tightening of credit rules—a requirement that stock purchasers put up, say, $80 in cash for each $100 worth of stock, instead of the $70 now required. And it could be a contributing factor to a general tightening of credit around the country.

So long as the bull market continues strong, however, stock splits are to be taken by shareholders as a sign of good times and a fond hope of still better things to come.



"Want to know why I stopped here? It's because you sell Quaker State!"

Do *you* always ask for Quaker State? It's a simple rule to follow, but it pays tremendous rewards in engine performance and protection. For it assures you that the motor oil you buy is highest quality, right for *your* car! Quaker State excellence is twofold. First comes 100% pure Pennsylvania crude, the world's best. Then there's the Quaker State super-refining and modern blending that increase the superiority even more. For *Miracle Film* protection and money-saving endurance, make Quaker State your "Q" for Quality!



QUAKER STATE OIL REFINING CORPORATION, OIL CITY, PA.
Member Pennsylvania Grade Crude Oil Association

Interview with DR. ROBERT COLLIER PAGE
Medical Consultant to Industry

WHAT YOU SHOULD KNOW ABOUT HEALTH

Are you working too hard? Do life's tensions lead to physical troubles? Is it possible to prevent a breakdown in your health?

Members of the Board of Editors of *U. S. News & World Report* put such questions to Dr. Robert Collier Page, an authority on the health problems of executives and employes. In his answers, he makes these points:

- **There are easily noted signs which warn that you may be heading for a health crack-up.**
- **Worry about health changes can be more damaging than the changes themselves.**
- **Annual checkups may be inadvisable.**
- **Many persons now hold key jobs who actually ought not to be executives.**

Dr. Page is a medical consultant to management and past president of the Industrial Medical Association.

Q Is it true, Dr. Page, that the pressures of work and of everyday living cause many of the ailments a person gets?

A Well, the questions of cause and effect are two entirely different things. We don't know for sure that pressures and tensions cause the conditions, but we do know that they aggravate physical troubles that do occur. What is really all-important, though, is the attitude the individual takes toward the health changes that he notices.

What I am saying is that at the age of 40 certain normal health changes appear. With added years, more changes come. But it is how you look at these normal changes that can decide just how healthy you really are.

Q You mean whether you worry about them?

A Sure. If you do, they cause you a lot of trouble.

Q For example, as we get older our blood pressure tends to go up, and Joe Doakes worries about it but Sam Jones doesn't—

A That's right.

Q Because Joe worries about it, does that mean that his blood pressure is going to get worse?

A Exactly. In other words, it gets worse as far as his interpretation of it is concerned.

Q Can it actually get worse? Do the worries about your personal health bring on these diseases?

A I wouldn't say "bring them on," but they do aggravate them and accentuate them.

Q You mean they don't start ulcers, but if you are inclined to have ulcers—

A Sir, you've really got them! In other words, we do not know what is the specific cause of ulcers, but we do know that people who are under stress and strain are more subject to them than any other group.

Q What other things can happen to these types of people?

A Well, they can become alcoholics. They can get into activities beyond their ability—social activities and things like that—and they can actually have a mental breakdown.

Q Are these people more likely to have heart attacks than the type who does his job without worrying?

A That hasn't been proven, but the evidence is pretty strong that this sort of person is more subject to early episodes of heart problems.

Q Aren't we establishing that one type worries and aggravates the physical limitations and the other type doesn't worry about it? Yet we do have people who worry about their jobs and are concerned and don't come down with ulcers—

A Well, as I say, each individual is an individual equation. There's no set pattern for all of us.

There are several types of executives. One is the healthy, efficient person. Now, of course, the healthy, efficient one can have medical problems, too, but if his medical problems are picked up in their early stages and that very intelligent individual understands them, I contend he can go along indefinitely and carry a very, very heavy load of work. In fact, as long as he is conscious of his own limitations.

Q He is more likely to take care of himself, isn't he?

A Definitely, very definitely. He'll have periodic checks and everything else. He will do everything without worrying about it. He will take care of his body just the way he takes care of the business—efficiently.

The next type of fellow, who is not the efficient executive, is likewise inefficient in taking care of his own personal-health affairs. They go hand in hand.

Q Well, it would seem that an individual would want to know to which type he belongs. How does he go about this?

A He can go about it by being a participant in a health-maintenance program. He must get to know his doctor very well. The doctor can then transmit to him what he knows about him.

Copyright 1955, By U. S. News Pub. Corp.

How to Avoid Breakdowns . . . Effect of Worry, Liquor, Job, Family . . . Tests That Show a Good Executive

Q By a health-maintenance program, you mean keeping illness from happening—preventive medicine?

A Yes. Now, when I say "preventive medicine" in that score I really mean "constructive medicine." Constructive medicine is positive. It's the art of picking up disease early—at a time when something curative can be done about it at a price that one can afford to pay.

Q Just how do tensions and pressures and emotions cause actual physical troubles?

A Few physicians doubt that there is a relationship between an emotional state and physiological well-being. We know that the body functions less well in the presence of an emergency.

In an emotional state, the entire autonomic nervous system is thrown into action. The salivary glands are inhibited and the mouth becomes dry. The adrenal glands secrete extra adrenalin. The heart beat increases. The blood vessels constrict and the blood pressure rises. The body economy is prepared for fight or flight. Picture the executive at the conference table. Perhaps he can neither fight nor flee. His biological forces may be prepared for an emergency, and he may be unable to dissipate this energy.

If this situation is repeated often enough, one of the "stress diseases" may develop. Now, this term "stress diseases" includes a multitude of illnesses which range from peptic ulcers to colitis, to insomnia, to tension headaches, to anxiety states, to schizophrenia and even to a state of sterility.

Q How do you prevent this chain-reaction sort of thing from happening?

A What is generally recommended today is that you start these health-maintenance programs off fairly early and gradually increase them as an individual gets older, in keeping with specific needs. This annual examination that you hear so much about—I do not subscribe to that theory.

Q The annual physical checkup?

A The annual "medical." I think it should be based entirely upon your specific needs as determined by the examining physician.

Q But if you don't have an examination annually, how can you determine your needs?

A Ah, that's the doctor's job. In other words, you're a 32-year-old "eager beaver." You've come in to me and I've examined you from top to toe. I go over your background and discover that you're a high-powered person and have a job that you are happy with, that you are going places. I go over you and find not a thing the matter with you.

You are in perfect shape, so far as I'm concerned. My advice to you is, take all the responsibility you want. Have a good time. Unless you have trouble, I don't wish to see you again for two years.

Now, if the individual that you are working for moves on and somebody gets over you that you don't like and you get all upset, come on in and talk to me about it. But, if you have no problems, don't bother to see me. I can't do anything for you. But I do want to see you again in two years, or two years and a half.

DR. ROBERT COLLIER PAGE

Q Why don't you believe in physical examination every year?

A To me, that sensitizes you to some changes which could very well be normal for you as you are growing older—like a "touch" of high blood pressure. There isn't such a thing. No one has decided yet, specifically, what is high blood pressure. You and I might be perfectly healthy, and there might be a difference of 10 to 20 points between your blood pressure and mine. Now, for me to alert you to your blood pressure and give you the idea that it's a little above normal gives you a crutch to hang on to if things are not going just the way you want them to in your job.

Q How often do you think a man past 50 should have physical checkups?

A Again, it entirely depends on the type of person.

Q If he feels all right, should he just skip being examined?

A Well, he should do it at the suggestion of his doctor who knows the individual personally.

Q But you read that, for example, if cancer is detected early enough, the chances of cure are great, and the best

(Continued on next page)

. . . Your job—"it's got to be fun at least three days out of five"

way to detect it early enough is to have regular examinations—

A That's right.

Q Well, if you don't go in except when you are feeling bad—

A No, no. You are not to go in just when you are feeling bad. My point is this: You are 32 years old. I examine you and find that you are in perfect health. I have that record. I say, "Look, Bill. You are in perfect shape. Don't bother to come see me for two and a half or three years—unless something happens. At the end of three years, I will call you back in."

Q But a person of 45 you might tell to come in—

A In 18 months, depending upon his medical make-up at that particular time.

DANGER IN CHECKUPS—

Q Then a person shouldn't go to his family physician to get a physical checkup once a year?

A No. I don't think so. It's not necessary. We are overemphasizing the mechanical end of our business rather than the know-how of the good old general practitioner, who knows you very well. Now, as we do these examinations, as we do them more and more thoroughly, we can detect changes more quickly. Theoretically, if you examine everybody all the time, you will pick up a lot of things, but you've also got to weigh the damage that's being done by over examination. You know that half of our beds in the United States are filled with people who have some form of mental problem. Well, there are, likewise, a terrific percentage of people who are potential candidates for such institutions. You can see how easy it is to make patients out of people if they are oversensitized to some of their pending problems.

Q So you can go to the doctor's office until you become a hypochondriac?

A I don't like that word, but that's exactly what I mean.

Q What word would you supply for that?

A "Episodic"—individuals are prone to see a doctor for "episodic" care. When you go to your doctor and he takes care of your symptoms only, this is termed episodic care.

Q Suppose the doctor tells the individual: "You worry too much about some things—you can't take on certain types of activity." What can he do about it? If he's a driving type of ambitious fellow, he's going to disregard his doctor, anyhow, isn't he?

Q That is our problem as doctors. We must get our concept across in order for any person to live within his own capabilities. That's the reason we're in business.

Q Well, can a person work too hard, then?

A Oh, yes.

Q But what about the person who seems to be able to work all day long, take work home, and work on Saturdays and Sundays—

A He is burning the candle at both ends. That is just contrary to common sense.

Q You think a fellow should play golf three times a week?

A I don't think he should play three times a week, but I think he should balance his work and play. Regardless of what job you are doing, it's got to be fun at least three days out of five. You have to enjoy your work.

Q Suppose you don't enjoy your work?

A You'd better start adding up why you don't enjoy it, and find something that you do enjoy.

Q And if a person is in a job that he really doesn't enjoy but where he seems to do well enough to keep getting promotions—what's going to happen to him?

A He'd better think twice. That is often the cause of breakdowns—

Q The straw that breaks the camel's back—

A Yes, and there are cases like that on record.

Q Do you have any formula for dividing work time and recreation time? How much relaxation should a busy man get?

A I think he should plan his day so that he works during the day and his nights so that he keeps his social engagements at an absolute minimum as they apply to his work. You know, the average businessman today will plan a lot of work socially and mix the two of them up—

Q Take the client out to dinner—

A Yes, and talk business until 2 o'clock in the morning. From a health point of view, that is definitely contrary to common sense.

Q Would it be all right for him to go out to the country club, have dinner, and stay up to 2 o'clock as long as it has no connection with his business?

A Every once in a while it is good relaxation for him.

Q On week ends he should get as far away from his job as he can, do you think?

A I think so.

FUN FOR OFF HOURS—

Q Do what he likes to do—

A Do what he likes to do. And spend that time with his family.

Q Work around the house—

A Work around the house—

Q It may be physical work, but it is good for him—

A Yes. And get to know his family, get to know his children. There is nothing worse for an executive than to reach the age of 55 and suddenly realize that his children have grown up and he doesn't even know them.

Q Then actual physical work is not a harmful thing?

A I think it is excellent.

Q When this fellow goes out to lunch, this busy executive, and he has a drink before lunch and maybe a rather heavy lunch, and he may have drinks and a heavy dinner—are those things harmful, or does that depend upon the individual?

A It depends upon the individual, but when you add them all up, the question of limitations is paramount.

Q In other words, he should be temperate and watch his diet—

A He should watch his weight. There is so much written about obesity today. Obesity predisposes to several of the most outstanding degenerative diseases: diabetes, atherosclerosis—that leads to coronary disease, in other words, heart trouble. They are all closely associated with the intake of food.

Q How is an individual to know—he's already in a job—how is he to know whether the job pressures are such that he is a candidate for one of these crack-ups?

A Well, there are lots of danger signs. My approach to that problem is to get the executive young enough and start him off on a health-maintenance program—

. . . "If you don't like to make decisions, recognize it early"

Q But what can a person do right now, the man already in the job today? He reads about this business of "Maybe you're working too hard." What can he look for as danger signs that might tip him off that he ought to slow down?

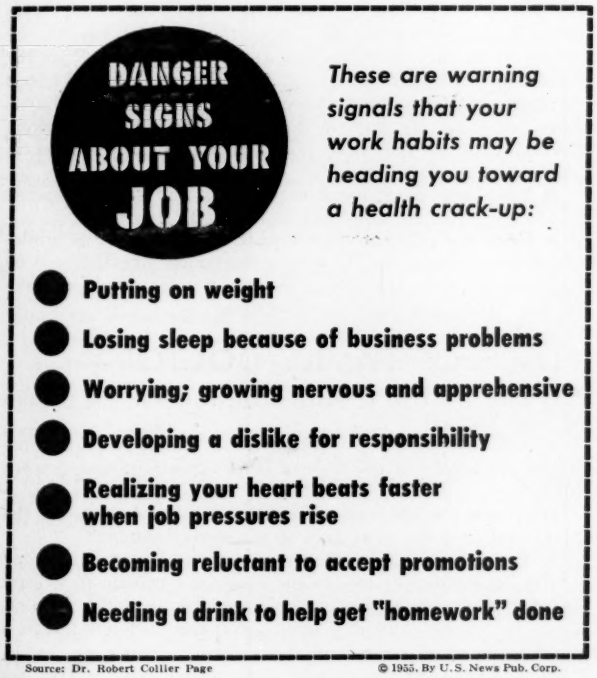
A That he's overweight, that he's not sleeping as well as he should, that he is conscious of his heart beating under the slightest business provocation.

Q You mean, anything related to the responsibility of his job—

A Yes. In other words, when he becomes nervous and apprehensive, when he isn't able to prepare his report as efficiently as he did three or four years ago, and he's just not ready for a meeting that he knows he has to attend—

Q He gets a dislike for responsibility?

A Yes. But that's perfectly normal. I don't think any of us truly enjoy responsibility.


DANGER SIGNS ABOUT YOUR JOB
These are warning signals that your work habits may be heading you toward a health crack-up:
Putting on weight
Losing sleep because of business problems
Worrying; growing nervous and apprehensive
Developing a dislike for responsibility
Realizing your heart beats faster when job pressures rise
Becoming reluctant to accept promotions
Needing a drink to help get "homework" done
Source: Dr. Robert Collier Page
© 1955, By U. S. News Pub. Corp.

Q We really don't like to make decisions?

A I mean everyone doesn't like to do that. There are some people who can do it and do it well, while others can't. Now, if you don't like to make decisions, one of the smartest things to do is to recognize it early. Because if you're *comme ci, comme ça* [indifferent] that will get you into a lot of trouble later on.

Q So that an individual who is trying to assess himself—"Should I be this executive, or are the pressures getting me?"—if he dislikes the responsibility, that's a bad sign—

A That's a bad thing.

Q Are there any other things that he might recognize?

A The individual must ask himself if promotions will bring out natural gifts that he has. Everybody has a pretty good idea of their own native ability. So that if a promotion will give you an opportunity to expand, it's good for you; if it won't, then don't stay in that field.

Q If you're afraid of the promotion, you shouldn't take it?

A Yes.

Q Aren't most people afraid of taking on a bigger job?

A No, not the real executive. It's the fellow who is overly aggressive.

Q The individual himself—how is he going to be able to assess himself as overaggressive or underaggressive? Isn't that something that comes from the outside?

THE "EAGER BEAVER"—

A Not necessarily. "Eager beavers" are all aggressive. But that can be another danger, particularly in certain large organizations. The aggressive individual does work and puts on a pretty good show, but in order to get ahead he will invariably step on other people's toes, and eventually it might catch up with him.

Q Why is that bad? How would that hurt his health?

A Because he's aggressive, he does some of these things that I've mentioned before. He will become too social and be apt to imbibe too freely, and that type of thing.

Q You make that remark as if drinking is a bad thing—

A It is bad unless you know your limitations, because the problem drinker is a chap that is extremely difficult to handle either by himself or anyone else to help him.

Q Doesn't that vary from individual to individual?

A Definitely.

Q How much would there be as a rule of thumb for a safe amount?

A There isn't any rule of thumb.

Q Take Joe Doakes trying to assess himself as an executive. He's looking for the danger signs. Is there any rule that he could apply to know: "I'm drinking too much"?

A Yes. When he has to have a drink to get his job done, then he'd better think twice.

Q Are you talking about drinking on the job?

A No. I mean drinking outside the job. There must be no drinking on the job. The point is, if he's at home, burning midnight oil in making a report and he tires and has to have that extra drink in order to give him the "oomph" to finish that report, he'd better take a second thought.

Q Are there any other points you can think of?

A Well, this aggressiveness creates needless tensions. It results in mounting bad feelings among associates. You tread on too many toes and eventually a crisis arises in which you find that your enemies far outnumber your friends.

Q But will an individual who is aggressive care about what other people think? How does that ruin his health if he doesn't worry about it?

A It's the tension. Take the advertising group. The incidence of ulcers among the advertising group is supposed to be very high. They're all aggressive, high-powered, salesman-type people, out banging their heads against the public from morning to night.

Q Would an individual who is a worrier in a particular job also be a worrier in another kind of job?

A No, not necessarily.

(Continued on next page)

. . . "It's good business to teach executives meaning of health"

Q There's nothing about his personality that makes him a chronic worrier?

A No. In fact, I feel very strongly that an individual who is assigned to a job within keeping of his abilities to perform can very well be a healthy individual.

Q Even though he doesn't like his job?

A Well, no. That's part of it.

Q The liking of the job is part of the ability to perform—

A Oh, yes. I don't think there's anything medical about that thought.

Q Then that falls in with your point that you should start with these individuals when they are young, doesn't it?

A Yes.

Q Are management and industry showing more concern about this problem?

A Very definitely. So much, in fact, that an institute known as the Occupational Health Institute has been formed. Half of its board of trustees are representatives of business. The nursing profession and industrial-hygiene field are also represented.

Q What does this Institute do?

A The Institute is there, purely educational, to transmit to the public and to management the latest thoughts in medicine as applied to the needs of industry.

Q You say that more and more companies are getting interested in this field. Why is that?

A It stems, I believe, from the standpoint of expediency. According to the record, management got into the surgical aspects of the medical business because they had to as a result of accidents which occurred to employes while on the job.

Q Efficiency was being impaired—

A Yes.

Q Work time was being lost—

A Definitely. It may be said that management got into the medical field through the back door. When certain occupational diseases, such as lead poisoning, silicosis, etc., came into the picture, the medical—in contrast to the surgical—aspects of medicine were brought to the attention of management.

Later, the health of the executive was considered. As a result, the strictly medical aspects, in counterdistinction to the surgical needs of employes, were being talked about.

HEALTH AS COMPANY ASSET—

Q Why should a company be interested in the health of its executives or of its employes?

A Well, let's consider the executive. The executive may be referred to as a high-priced commodity. To train him costs a lot of money. It has been said that his actual worth is 12 times his annual salary. Consequently, if you look at it from a straight dollars-and-cents viewpoint, it's only good business and common sense for industry to do everything that is possible to teach an executive what the true meaning of health really is.

Q Is the objective to keep them healthy in the sense that you give them periodic checkups, or is it to try to get them to live so that they stay healthy?

A Each individual must be considered as a total person. For some reason, management seems to think of their executives only as the men in the top brackets. My concept is that all potential executives should be considered in the same light: "Get him young and train him, among other things, in an appreciation and understanding of health."

Q Will this pay off in dollars and cents?

A There is no question about it.

Q How do you figure that?

A Read any daily newspaper. You will see that Mr. So-and-So of such-and-such a corporation dropped dead at the age of 45. In situations where such sudden passing could have been prevented, the answer is obvious.

Q How does this service operate in industry? Do you give more frequent physical examinations? Does the company operate its own hospital? Does it maintain a clinic? Just what do they do to carry out this preventive medicine?

A There is no stereotyped method. Some of the larger corporations do not consider it expedient to set up thorough diagnostic setups for their own top executive personnel. Others do.

There is no agreement among doctors who confine their interests to this field. Some people say that a doctor who is privileged to examine an executive within the confines of the company proper can do a more thorough job because he is personally familiar with the stresses and strains that the individual executive is up against during his eight-hour working day. The other concept is that a nonbiased outsider, who has no knowledge whatsoever of the working environment, is the best qualified to perform such examinations.

Q You keep mentioning executives. The same principle would apply to any employe, wouldn't it?

A From my point of view, yes. It is a trend that is gradually coming into being. In only a matter of time this will be required all across the board; more and more employed people are asking for such examinations.

PLACE OF FAMILY DOCTOR—

Q Does this type of practice interfere with the practice of local doctors?

A No. I am glad you mentioned that point. In reality, the whole philosophy of this type of work actually increases work for private practicing physicians.

Q In other words, the examination may be held inside the plant and then the man goes to his own physician?

A Exactly. And in a goodly number of instances, a copy of the examination is sent to the employe's private physician. In turn, the private physician is invariably grateful; busy as he is, he couldn't possibly have given the individual such a good workout.

Q The physician in industry then doesn't attempt to take care of the man?

A No treatment whatsoever, other than that required in cases of emergency.

Q So that occupational medicine is not only preventing accidents and the so-called industrial diseases, but it is also an attempt to keep the employe working at top officiency. It is done as a diagnostic measure, not as a treatment procedure—

A That's right. In other words, you may summarize it as follows: A healthy employe is a happy employe; a healthy, happy employe is a potential efficient employe. A healthy, happy, efficient employe, who is assigned to a job in keeping with his abilities to perform, is an exceptionally efficient individual.

. . . "An awful lot of executives" shouldn't be where they are

Q Does that mean that you are going to give physical and mental examinations to employes to determine what level they can fit into and put them into that slot?

A You're moving a little too quickly. Here other people become members of the team. For example, the psychologists are endeavoring to help. The doctor's job is to transmit what he knows to the individual employe, point out the indivdual's good qualities as well as his limitations from a medical point of view. With this knowledge, the employe is in a better position to decide for himself just what he can and should do in the way of work assignment.

Q By limitations, do you mean physical limitations, a heart condition, high blood pressure or something like that?

A That is one phase of it.

Q And the other phase is mental limitations? How are you going to determine that?

A It is hard to define mental limitations. Medically, we think of physiological limitations coupled with personality. For example, an individual gets into a particular situation. He considers himself entitled to a big promotion. He wonders why he didn't get it. Now, the doctor who understands the individual together with his total working environment is able to give him some definite slants and ideas as to why he didn't get the job.

Q Are there executives today who shouldn't be in the places they are because of their limitations?

A Without question. Unfortunately, there are an awful lot of them.

GOOD AND BAD EXECUTIVES—

Q Why shouldn't they be executives?

A Because they are just not cut out to handle people. Some are detailers and not broad-gauged. During my time I've catalogued them.

There is the extremely able individual who, by virtue of his innate abilities, reaches the top in orderly fashion. If he is endowed with a healthy body which has received common-sense attention, he will carry his load well, provided, however, that he has an understanding family, a wife who is fully cognizant of the load he carries during the working day and who has grown with him to his present status of responsibility.

If, on the other hand, he does not have such a helpmate, then he may find added tensions to his job that often result in a broken home or divorce. As an escape measure, but actually exaggerating his tensions, he may take on extracurricular activities that are time-consuming, or he may begin to drink excessively to help himself bear his problems. In this way, not of his own choosing, he has added insult to the degenerative disease conditions that are common to increasing age. Granted he has been endowed with a brilliant mind; how well he has lived within his medical capabilities will determine what comforts and pleasures he may enjoy in and outside the office, and, more importantly, in his later years.

Now, this type of executive, irrespective of his private life, is one for whom everyone likes to work. He creates an atmosphere of enthusiasm. He is cognizant of talent and personal perseverance. At no time during his career does he worry about his own job. He is confident he can get a better one.

Unfortunately, many an executive position is held by a different type of individual, although he may be equally successful. He has to do it by carrying a brief case full of papers home, burning the midnight oil in order to acquaint himself with all the facts. Troubles are in store for him when the time comes for arteriosclerosis, high blood pressure and other aging maladies. This individual is an excellent candidate for intermittent attacks of constipation or diarrhea; he burps and regurgitates; he eats too much and is apt to imbibe too freely. He may succumb to a heart attack before he reaches the normal age of retirement.

This individual is not a good administrator. He has limitations, and when promotion time comes around he is prone to have favorites. As a result, more executives of limited capacities assume power and influence over a younger crop of able men.

There is another type of executive. He may be relatively intelligent, moderately aggressive and have a likable personality. Often this man is perfectly content with his lot. He performs his job satisfactorily, offers few suggestions and when he does is sure of his ground. He is confident that his immediate superiors will approve.

This type of individual, should he be suddenly elevated to a position of extreme importance, might well suffer an immediate nervous breakdown. On the other hand, if promotion does not come his way, he may continue on the job for years. As the years race by, he becomes more and more dependent upon those under him. Such a situation may continue until this executive retires.

However, the following set of circumstances may occur: A new manager or president appears on the scene; a recession is in the offing or profits are off. Maybe he is imbued or fortified with all the modern concepts of efficient management. He learns about the department head in question. He spends some time with him and learns that the department head is totally incapable of performing the duties of his present assignment. A thorough medical examination in a case of this type would reveal that an individual, due to no fault of his own, has been assigned to a position of importance within the company for which he is neither entitled nor suited. No drugs will help him. A doctor may prescribe a sedative, a vitamin or even male hormones, but a much more fundamental and basic solution must be reached. Treatment involving a surgical procedure is simple compared to some of the more complex factors involved in a situation of the sort in question.

MEANING OF HOMEWORK—

Q Now let's go back to the fellow who takes his brief case home. If he has equal ability, why does he have to take the brief case home at night?

A The only difference is the method in which he gets it done. From an organizational point of view, it is difficult to detect the difference between the two individuals; one fellow gets the job done with ease and efficiency, while the other has to work harder at it.

Q Perhaps one delegates, and the other thinks he can and must do it himself?

A That's right. In my experience, an able individual surrounds himself with individuals of equal potentialities, while a less able person is prone to do the same thing, namely, surround himself with individuals of similar limitations.

(Continued on next page)

. . . Is pressure unhealthy? "Not if a man can take it"

In this group of individuals, as the years roll by, normal physiological changes to which we all are entitled become more apparent and may present themselves in the form of ulcers, gastrointestinal disturbances of all kinds, insomnia and the like.

Q Could you say whether more people are happy or unhappy in their jobs?

A I think a lot more people could be made much happier in their jobs.

Q How?

A By having department heads who understand people. They could do a tremendous lot of good in handling the particular problem that we have been talking about.

Q It would be up to the management or the company—but what about the small company? Would they be able to afford that sort of thing?

A That's where the family doctor comes in. He can help tremendously, even in a small community.

Q Is the average family doctor cognizant enough of this type of thing?

A I would say that he is more cognizant of it than he's been given credit for, for the simple reason that his entire training, from the time he started to college until he was finished, has been with interpreting complaints. He understands people. That's all a doctor's got to sell, when it comes right down to it—his knowledge of people.

Q The family doctor has almost disappeared, hasn't he?

A Not so much. He is coming back. The Academy of General Practice is really doing an excellent job in orienting the general public to what the general practitioner is and still is doing in medical affairs of the country.

The doctor in industry happens to be in a very unique position in dealing with people. His job is to explain to management the health needs of those employed. And he also has to explain to the individual's private practicing physician what he has discovered about them. A well-trained doctor for industry works in the neutral zone, between management on one side and the employed people on the other. He is also the connecting link between the employed person and the outside medical profession.

THE DOCTOR IN INDUSTRY—

Q Just how does this system of the doctor in industry work? In a big corporation, how many people does he see? Do people come to him only when they have complaints, or is it his job to examine every member of the company and see that he comes back periodically? How does this whole thing work?

A Here's how it works. It's pretty well accepted now that any industry that has 2,500 employes can sustain economically the services of one full-time doctor.

Q Does he have a staff?

A He has a staff, let us say, of two or three nurses, a small laboratory, an X-ray machine and a clerical staff for records. Now, his first job is to examine people when they are looking for a position. This examination is known as a "placement" examination. Then he must examine periodically any employes that are exposed to any hazards of any kind that the industry may have. This is a legal requirement.

In companies that have an enlightened management, the employes are encouraged to report to the medical department for voluntary periodic examinations. This constitutes in part a health-maintenance program. In addition to that, the usual medical department has a small dispensary to give emergency care only. Anything beyond emergency care is referred to the employe's own family doctor.

Q In a way, then, he becomes the family physician for the plant and sends the employes out to their specialist, the family doctor—

A I like that—I think that's a very good way to say it.

Q Are the medical schools turning out people who are qualified strictly for this type of work?

A As of this June, there is a specialty known as occupational medicine, in which doctors who do this type of work will be considered specialists in their own right. There are about six medical schools that are devoting a lot of time right now to setting up courses to produce doctors of this particular type.

That presents an economic problem, because management across the board is not completely alert to what a doctor can really do for them in their business. So that there has not been the attraction for doctors to go into this type of work that normally you would think there would be. But it is hoped that, with the specialty coming into the picture, that will elevate the across-the-board standing of these doctors and there will be more attractive openings for them in business.

Q To get back to the executive himself, do you find that he is more likely to break down physically under the strain of his job than a farmer or some other outdoor worker?

A I don't think so. I think it is an individual equation. You see, I know of executives who have got very severe medical problems, but they carry on their jobs with extreme efficiency.

Q Then pressure itself is not unhealthy?

A Not if a man can take it.

JUDGING YOUR JOB—

Q Are there any criteria whereby an individual can judge for himself that his job is good for him?

A Well, you're anxious to get into the office in the morning, and, likewise, that you're anxious to leave in the evening. That you feel wanted, that you are part of the setup.

Q You have mentioned that the person leaving the office at night should go home and forget about it. How can he do this?

A Well, I think that is indicative of his feeling towards his family and his family life. He owes that to his wife and family.

Q It wouldn't bother him to go to a civic-association meeting at night?

A I think some of that is all right.

Q When does the danger come in where he suffers from the pressures of the civic association and the pressures of the office?

A When the 24-hour working day gets the best of him. He simply has to know his own limitations. And that is what concerns the doctor of tomorrow.

Q You think, then, that a man can go home from work, have his dinner, and then go out to some meeting at night?

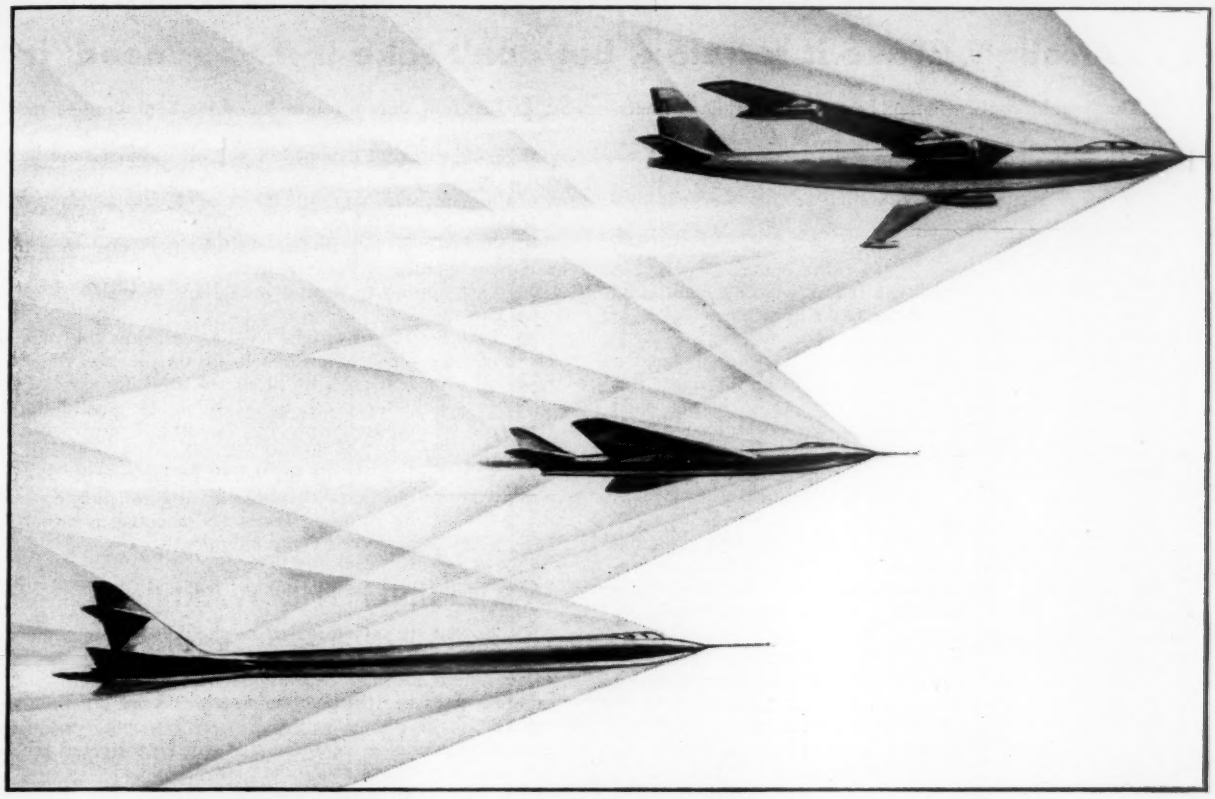
A Sure. He should lead a co-ordinated, happy existence.

Q But if he isn't getting relaxation out of it, then he'd better watch out—

A That's right. If it becomes work for him, real work, then he should think twice.

(Continued on page 60)

With Inco Nickel in them . . . metals perform better, longer



To an artist, the shock waves created by an airspeed of 2100 miles an hour look like this.

What's beyond the sound barrier?

More speed—more heat—more reason than ever for the aviation industry to plan Inco Nickel into its future

At sea level, the speed of sound is about 760 miles an hour—Mach 1.

At that airspeed, the surface temperature of an airplane is in the neighborhood of 200 degrees F.

Beyond that?

. . . look at the picture above. It's an artist's view of the formation of shock waves around planes moving about Mach 2.8—roughly 2100 miles an hour. At that speed, you expect friction-created skin temperatures in the 700-800 degrees F. range.

At such temperatures, few materials hold their strength long. So, for years, International Nickel research has been working closely with the aircraft industry on the structural materials problems involved.

Inco-developed "K" Monel is one product of this research cooperation.

Inco-developed Inconel "X" is another.

"K" Monel is now being used successfully at temperatures up to 800 degrees F. And, as authoritative tests prove, Inconel "X" now stands ready to move into the supersonic picture as the most dependable of the metals tested above about 950 degrees F.

Beyond this? *More speed, more heat, more structural materials problems for the aircraft industry and for Inco High Temperature Research.* For more information on the metal on which so much of this research is centered, write for a copy of "The Romance of Nickel." The International Nickel Company, Inc., Dept. 251d, New York 5, N. Y.

Inco-developed Alloys In Jet "Power Plants," too! Take the "power plant" of one of the newest jets. Combustion liners are Inconel, after-burner shell Inconel "W". These Inco-developed Alloys supply corrosion resistance, heat resistance, strength and ductility.

©1955, T. I. N. Co.

INCO International Nickel

Producer of Nickel, Inco Nickel Alloys, Copper, Cobalt, Tellurium, Selenium and Platinum, Palladium and Other Precious Metals.

. . . Alcohol? "Take it to relax, but don't take it if you 'need' it"

Q That would apply whether he was entertaining clients, bowling or playing golf—

A Yes.

Q There is a doctor who has referred to alcohol as the "milk of older age." Do you subscribe to that theory?

A Not quite. I think alcohol is one of the best medicines we have, if it's used as a medicine. Take it to relax, but don't take alcohol if you "need" it.

Q But you have said that the fellow working extra hard on stuff from the office shouldn't take that extra drink to help him get through—

A If he's anxious to do the job and is going to have a lot of fun doing it, and takes a drink, that's all right. But if he had eight hours of work to do and he wasn't good enough to get the eight hours' work done and so has to put some of it in his bag and takes it home and has to put in two or three more hours of work at home on the work he was supposed to get done in his eight-hour day—that's wrong.

If he has accomplished what he should during his eight hours at the office, and he has a bright idea and knows perfectly well that he needs a couple hours at home, away from the telephone, away from his secretary, to do it, and he knows that he is going to have fun doing it, there's nothing wrong with that.

And if he has a drink, that would be part of his pleasure to get the thing done. Now, when, during his eight hours at the office, he only accomplished five hours' work so three more hours' work are required to get this report done for the next day, the help of the bottle there would be detrimental.

Q What about smoking?

A I don't think we've got all the answers to the smoking problem. I think there has got to be a lot more basic, fundamental research done on the problem, and I think the statement I made about alcohol is equally applicable to smoking.

If you have to have a cigarette to get the job done, then you'd better think twice—not of the cigarette but of your whole physiological make-up.

Q Do you think the executive is inclined to drink or smoke more because of the nature of his job?

A I don't think so. I think he may be more prone to drink or smoke, but I wouldn't say excessively. And I'm quite sure that wouldn't apply to the real executive.

HOW MUCH SLEEP, EXERCISE—

Q Is there any rule of thumb as to how much sleep you should get to do a good job?

A Well, the closer you can get to eight hours, the better it is for everyone.

Q And as you get older?

A You need less, probably.

Q What about exercise?

A Exercise, again, is an individual equation. If you are accustomed to taking exercise, keep it up—it's good for you. But don't get the idea that because you have never taken any exercise and you are now at the ripe age of 55, it is now time for you to get up and be a marathon runner. Forget it. And that also applies to certain types of athlete, the football player who figures that he can keep that up from now on in and plays handball, and so on. It's all a matter of knowing your own limitations.

Q Just how does a fellow know his limitations—a medical examination?

A Well, a doctor cannot tell you all the first time he sees you. He can give you some pointers so that, when he sees you the next time, you and he can get your heads together and some of the things that have happened to you in the meantime can be interpreted. As time goes on, you will get a clearer picture of your limitations.

Q That applies to mental limitations as well?

A Definitely.

Q Take the executive who has been playing golf regularly. He is getting older but wants to go on playing. Should he taper off even if he gets no ill effects from it?

A He should taper off and, I think, he should think in terms of his environment, his "weather," and what else he is planning to do afterwards. If it's a perfectly fine day and he feels perfectly fit, there's no harm in it. But if it's a rainy day and he doesn't feel too fit, he must decide whether it's to his benefit. In other words, an executive is a man who is supposed to have considered judgment—

WATCHING THE WARNINGS—

Q All you are saying is that he should use common sense—

A Exactly. That is what is so fantastic about this whole thing. There are many warning signs of poor health and impending diseases. It's the doctor's job to point out the danger signals. Heeding them will often permit a doctor to make an early diagnosis of a condition that can be corrected before it kills—or, if not corrected, materially modified.

The important danger signals and what they mean must become more common knowledge. When they are more fully understood and appreciated, the individual executive will form his daily routine in keeping with his physical and mental capacities. If he does so, he is bound to be more productive to himself and to the company. This may entail limitations which may seem difficult to cope with at first. In the long run, however, less liquor, less tobacco, more exercise, less travel, more leisure, more delegation of authority to those in lower positions will prove a benefit to all parties concerned.

To apply these facts to key personnel of today must be done with honesty, much tact and ofttimes personal persuasion. It must be done within the delicate code of a true doctor-patient relationship. The task is tough and appreciation is rare, I promise you. I know. The problem is less complex, however, provided that executives acknowledge the problem and are willing to do something about it. I am thinking now in terms of the younger ones who are coming up. Because if you've got a top executive who burns the candle at both ends, and he is one of the ones who can get away with it, the chances are that a lot of younger ones will follow suit—and they just cannot all follow suit.

Actually, an adult who is not cognizant of his own medical limitations is in danger. He needs medical advice and guidance. Neither this man nor the one who is cognizant of his limitations who fails to live within them is first-class executive material. On the other hand, an executive who knows what he can and cannot do from a standpoint of his health and who conducts his life accordingly can live a happy life, useful to himself, equally a source of strength to his family and his employer.

(Continued on page 62)

(Advertisement)

Electric companies at work on atom power plants

Push development of vast new source of electricity

Top engineers of electric light and power companies are speeding work on ways to make atomic-electricity practical for everyday uses.

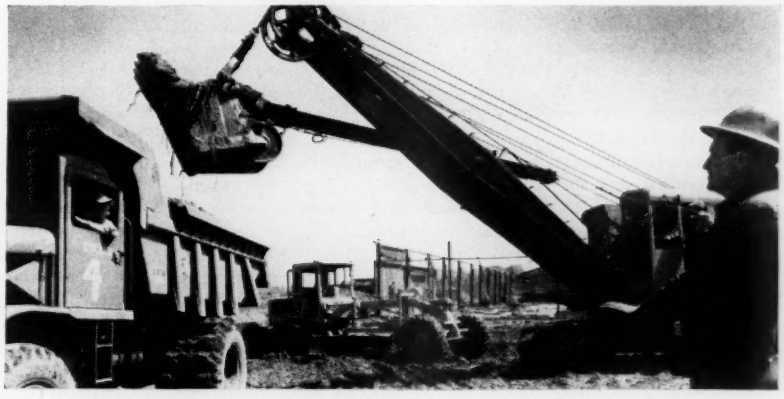
The first atomic-electric plant for serving the public is now being built near Pittsburgh, Pa. Proposals for four others—near New York, Chicago and Detroit, and in western Massachusetts — are in the hands of the Atomic Energy Commission.

The power from these pioneering plants will probably be expensive to make, yet will be sold at regular rates. From these first plants, however, the electric companies expect to learn much about more economical and efficient atomic-electric projects for the future.

Reducing the cost of making atomic-electricity is problem No. 1 —because electricity is already so cheap in America and we have plenty for our needs today.

However, the atom's promise of more power for the future is tremendous. The big job is to make it practical and economical. But the electric companies have solved other tough problems in bringing more and more electricity to more and more people, at lower and lower rates. They'll solve this one for you, too.

Electric company engineers arrange wooden models of the uranium rods that are the atomic fuel for certain types of atomic-electric plant. Several dozen such uranium rods can supply enough heat to generate a year's electricity for a good-sized city.



First commercial atomic-electric plant in America is under construction at Shippingport, Pa., near Pittsburgh. The atomic heat-producing unit will be below ground level. Turbines, generators and other electric equipment will be the same as in plants using other fuels.

AMERICA'S ELECTRIC LIGHT AND POWER COMPANIES*

*Names on request from this magazine's advertising department

. . . "Nothing worse than to retire and pass out of picture"

In other words, there are all sorts of people who have serious setbacks. Just because you've had a coronary attack doesn't mean that you can't go back to work and carry on an active job. There are literally hundreds of diabetics who live a normal life today because we know so much about diabetes so that they can work and do a full job. You can have an awful lot of honest medical setbacks, but if you understand them and conduct your life accordingly, you can keep going.

Q How about vacations? Is it better to split up your vacation or take it all at once?

A No, take it all at once.

Q Why is that?

A For a more complete change of environment. And let's bring the old family into the picture again. You hear so much about work and the health problems. Let's look into the family picture. You should devote a certain amount of time to that part of your 24-hour-day routine. It isn't fair to your family for you to carry your work with you all the time.

Q But if you have a month's vacation you can split that, can't you?

A Oh, yes. It's an individual equation, of course.

Q But you shouldn't be taking vacation days here and there to make long week ends—

A That's right. In other words, that particular chap, if you analyze him, is frightened to get away from the office. Now, a fellow who will take a full month and is perfectly willing to get away—this is general, of course, there are exceptions—he is confident that he is doing a good job and that the place will run without him.

WHEN OVERTIME MISLEADS—

Here is something that comes into this health picture that is very fascinating to me—and I think this happens far more often than anybody realizes. A lot of department heads will say, "I've got a lot of people working for me. I've got some good ones and I've got some bad ones. But I'm so busy that I don't really pay as much attention to them the way that I should. Some of the boys come in, sit down, do their work, and go home. Other boys happen to hang around after hours. I've got a job I need some help on. I look over the gang and see the boys who are more interested in their jobs. Joe is always sitting here working overtime. He must be good. I'll give it to him."

So, Joe is called in and given this extra work. Sure enough, the work is brought back in and done perfectly satisfactory. But the department head doesn't figure out when it was done. If he looked a little deeper into the thing, he'd find that Joe came in on Saturday or he did it on Sunday to satisfy the boss.

Now, when promotion time comes around, the first person who comes across the boss's mind is Joe. Joe is not the executive that he should be. He has to do the work at home or on week ends. The real executive, the potential executive, is the chap who comes in at quarter to 9, sits all through the day and beats those books out, or whatever it is, and leaves at a quarter to 5—and is anxious, what's more, to get home to a nice wife and growing kids. But he's missed. That boy could very well, if he were watched closely, be called in, given this extra work and probably put it right into his eight-hour day. This other fellow has limitations right from the beginning.

Q What about retirement? When a man hits 65 should he suddenly stop work, or should he start tapering off before that, or keep on going?

A Well, we haven't got the true answer to this retirement question yet, because we haven't got a yardstick to determine age correctly. There is a difference between physiological age and chronological age. The old idea of chronological age might suit the statisticians. Bismarck started that idea in Germany, and now it's pretty much universal. But from a medical point of view, the only true figure would be a physiological age.

Now, a lot of people who are 60 chronologically are 65 physiologically. They are a true 65. So that that type of person, if he's smart, will start tapering off by the time he is 60 and be prepared for retirement when he actually becomes 65 chronologically. The chap who is 65 chronologically and is actually only 55 physiologically, and there aren't too many of those—and the ones we read so much about, of course, are the big names—doesn't need to watch this retirement the same way.

But the usual 65 whom I have come across is actually older than their chronological age would suggest. So, my recommendation would be that anyone who gets about 55 should start tapering off and make definite preparations for retirement at 65 if he wants to cash in on his plans, his insurance, and live out his three score years and ten.

HAZARDS OF RETIREMENT—

Q What about the theory that a man becomes a "lost soul" once he retires?

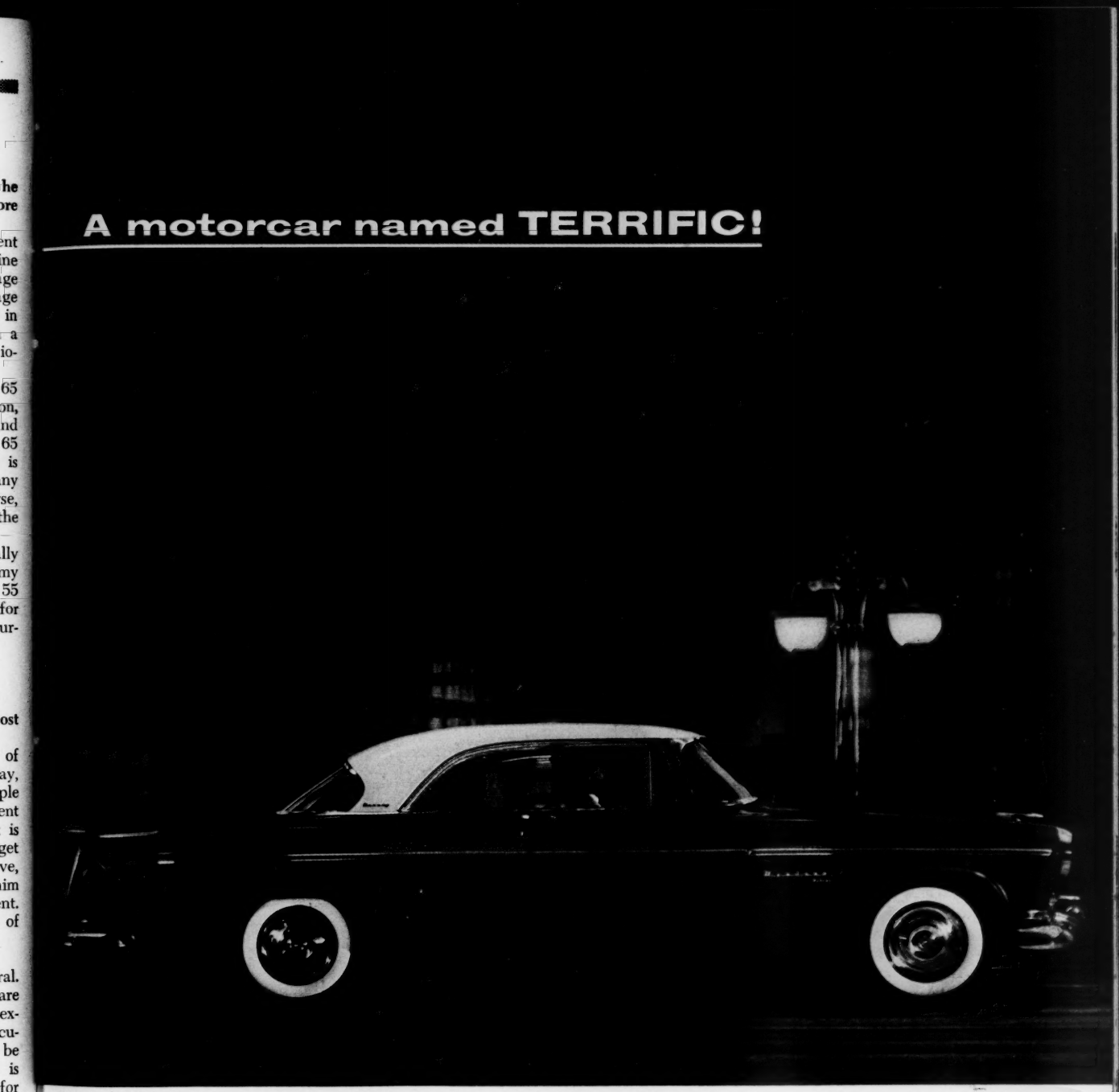
A I have to admit there's a lot to it. I've seen too many of them. And it's a shame, because with what we know today, the knowledge we know could be transmitted to these people in time for them to understand—it's a job for management to put in programs to prepare these people for what it is pretty well known they are entitled to expect as they get that much older. Especially, a person who has been active, I think, is entitled to have all of the facts presented to him early enough so that he can prepare himself for retirement. There's nothing worse than to retire at 65 and pass out of the picture.

Q You must start early enough to make plans—

A Definitely. I would like to emphasize this in general. You see, the principles of sound occupational medicine are simple, practical and easy to understand. It is simple to explain to an anxious parent—whether he be a promising executive or a day laborer—that the child's adenoids should be removed when they are obstructing the air passage. It is accepted readily by the parents that it is not good sense for the child to practice two hours a day on the piano, carry a heavy curriculum at school and have dates four or five times a week. He knows that it is not good for a growing child to burn the candle at both ends. But for the executive to apply such basic concepts to himself when his personal career appears to be at stake, he decides is another matter.

For some unexplainable reason, he shies away from the truth. Yet, if he is truly an able executive, he must know what ultimate probabilities are in store for him insofar as his future health and security are concerned. As relatively few executives live long enough to reminisce on the joys of their past accomplishments, a constructive health-maintenance program, in my opinion, is desirable.

A motorcar named TERRIFIC!



More built, more sold, more wanted than ever!

"Terrific" is the only way to describe the most sensational new car of recent years . . . *Chrysler!* A standout in style and performance, it's the year's "success story" in popularity, too. As proof of this growing preference—*motorists are switching to Chrysler in record numbers!*

Nothing so long, low, and sleek-looking ever has appeared on the road before. When you *drive* a Chrysler . . . and we urge you to do so . . . you get performance other cars simply can't measure up to. New V-8 engines (up to 300 hp!) team with the most automatic of all transmissions, PowerFlite. Full-time Power Steering. Power Brakes, Power Seats . . . they all can be yours – here!

Come discover how truly the power and look of leadership are yours in a Chrysler. See your Chrysler Dealer and arrange to take the thrilling "100-Million-Dollar RIDE" . . . it's convincing proof of Chrysler superiority!

See your **CHRYSLER** Dealer. . .Take the 100-Million-Dollar Ride

JOSEPH F. CULLMAN III, the Executive Vice President of Philip Morris, Inc., is an ardent trout and salmon fisherman with extensive experience in Canada and the United States.

"This Tupper Lake area in the Adirondacks has long given me my best brook trout fishing. Friends all over the country find it easy to join me here by flying American Airlines to Albany, just a short drive from these streams.

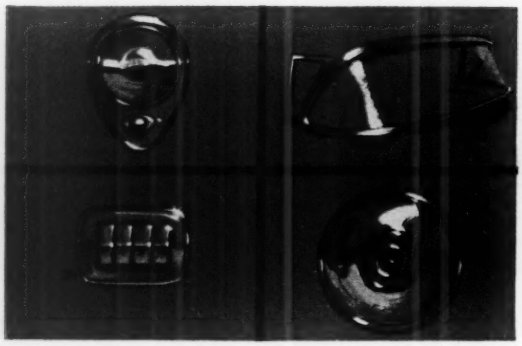
"Today air travel enlarges the scope and multiplies the opportunities not only for sportsmen, but particularly for businessmen. Key personnel at Philip Morris regularly fly American Airlines both because American covers so many leading cities and because we think so highly of its service."

★ AMERICAN AIRLINES INC.

Americas Leading Airline

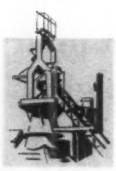
modern design specifies stainless steel

McLouth
STAINLESS
Steel
for automobiles



The beautiful bright molding and trim that style your car are made of non-corrosive, easy to clean Stainless Steel. Designers of automobiles and hundreds of other products specify Stainless Steel for its many valuable properties.

For the product you make today and the product you plan for tomorrow specify McLouth high quality sheet and strip Stainless Steel.



McLouth Steel Corporation
Detroit, Michigan

MANUFACTURERS OF STAINLESS AND CARBON STEELS

Worldgram®

FROM THE CAPITALS OF THE WORLD

LONDON....HONG KONG....PARIS....

>> This is what insiders in Europe expect when President Eisenhower meets Premier Bulganin and the other Big Four leaders at Geneva next week:

Big deals aren't in the cards. Big differences will be aired more calmly than in past, not wiped out. "Summit" meeting can be a start, a very cautious one, but no more than that, toward something like peace between U.S. and Russia.

"Cold war," while thawing, isn't to vanish overnight.

Informed Europeans don't expect Geneva to settle anything.

>> Instead: Years of talk lie ahead.

Germany will be No. 1 topic. Arms control for Europe, East as well as West, will be up for discussion. Atomic disarmament is sure to be argued over.

Two, three years from now, with luck, agreement of a sort may emerge.

Geneva results, actually, will be hard to put your finger on. U.S. troops will not, because of Geneva, be withdrawn from Germany. U.S. bases will not be suddenly abandoned. Soviet satellites will not be miraculously liberated. Communist infiltration is not to be given up by Moscow as standard technique.

Geneva is to be a place for U.S. and Soviet Russia to feel each other out, that's all. Don't look for treaties, pacts, deals. They come later, if at all.

>> While Moscow talks peace, Communist China is stepping up its preparations for war. Peiping's new budget, as analyzed in Hong Kong shows this:

Military spending will rise 23 per cent during next 12 months.

Heavy-industry spending is to rise, too, to provide the industrial base for the war machine. War needs get top priority in Communist China's planning.

Steel goal is 4 million tons by 1957, double last year's output. Not much by U.S. standards, big for China. It's steel for arms, not for consumers.

People of China are in for even leaner times than in past. Grain goal is being cut back. Clothing is to be scarcer. Textile industry is ordered to get along on less. Housing is to get a smaller share of budget than before.

Arms, heavy industry get the money. People, as in Russia, have to wait.

>> Communist bosses in Peiping are frank about their planned austerity. They are telling China's 600 million people: "Even greater hardships lie ahead."

Peasants are told to pay heavier levies, expect less government help.

Workers are being ordered to produce more for lower wages.

Terror campaign has already begun, to force people into line. Saboteurs, so Peiping says, are numerous. Mass trials, public executions are therefore in use once more. Purges are removing unreliable bureaucrats and intellectuals.

Says Peiping: 1955 is the great "struggle year." For the people of China

(over)

it means less food, less clothing, less housing, more terror, no relaxing.

>> In the midst of all this, Ho Chi Minh, Communist boss of North Vietnam, has found it necessary to visit Peiping to ask for a handout.

Ho's visit discloses this situation inside the Communist empire:

Ho needs food, economic aid of all sorts from China.

Peiping, short of these items itself, has to rely on Russia for help.

Moscow, unable to fill the orders, turns to its European satellites.

Satellites deliver, at the expense of their own living standards, but at declining rates and higher costs as the Communist economic system hits snags.

In this emergency, Moscow has to turn to the capitalistic West, buying food from countries whose problem is one of surplus, not scarcity.

How long this Soviet merry-go-round will revolve is anybody's guess. But, anyway you look at it, it is not a sign of Communist strength.

>> Britain's Government is taking another tuck in its overseas commitments.

Key naval base in South Africa, at Simonstown, is being turned over to the South African Government. Britain's Navy has used the base for more than 150 years. It has helped keep the sea lanes open around the Cape of Good Hope.

Future of another base, the island of Cyprus near Turkey, is in question. Greek claims to the island, usually brushed aside by London, are now at least to be listened to by Prime Minister Eden. With Suez bases given up, turned over to Egypt, Cyprus has looked like Britain's next-best bet in this area.

>> Eden appears more ready than Churchill was to give up odd lots of British real estate. For Churchill, it was a sad day when Britain gave India freedom, and later capitulated to Egyptian pressure to get out of Suez area.

Eden's reasoning appears to be this: Since Britain has to trim sail in any case, it's better to do it gracefully, before there's a big row. Greek fuming over Cyprus isn't helping Britain any. Maybe it can be settled amicably, with no real damage to Britain's need for bases. South Africa, if bent on becoming a republic, will demand Simonstown anyway. Might as well anticipate that.

Eden's idea is to make a virtue of necessity, capitalize on it if you can. Britain may then collect dividends in improved relations with South Africa and Greece, as it has with India and Egypt, while still having access to bases.

>> French politicians, looking at their red-hot problem in North Africa, are reluctantly beginning to see a similarity between North Africa and Indo-China.

France is chewing over an unusually candid report by a parliamentary mission just returned to Paris after a careful look at Algeria. The report:

Rebels, only 2,500 strong, are threatening France's hold on Algeria, an area three times the size of Texas, with a population of 9.5 million.

French forces, 125,000 strong, seem unable to put down the revolt.

One reason: Arab natives, bulk of the population, sympathize with rebels, secretly help them. Another reason: French funds sent into Algeria have helped French landowners most, left many Arabs unemployed, in extreme poverty.

In addition: Memories of Indo-China haunt French troops in Algeria. Many of them, the parliamentary mission reports, ask why they're in Algeria, what French policy is, what the French settlers in Algeria are up to.

Paris seeks answers to these questions, too, but hasn't found them yet.

Clare Gard

Do you throw it away or make it pay?

"You've heard it said that necessity is the mother of invention?

"Seems to me plain everyday American initiative is pretty inventive, too. Take the way Union Oil got into the dry ice business.

"Union, you know, supplies much of the natural gas used in Southern California. Well, some years back, we needed to increase the heating value of our gas as it came from the field.

DRY ICE AT THE CUTTING MACHINE.

"We had a choice. We could enrich our product by adding other gases to it. Or we could accomplish the same thing by removing the CO_2, or carbon dioxide, from it. It was purely a matter of economics.

"We experimented removing the carbon dioxide with a process that had, till then, been used for quite a different purpose. It proved so effective it paid us to take out the carbon dioxide, even if we were to throw it away after we got it out of the gas.

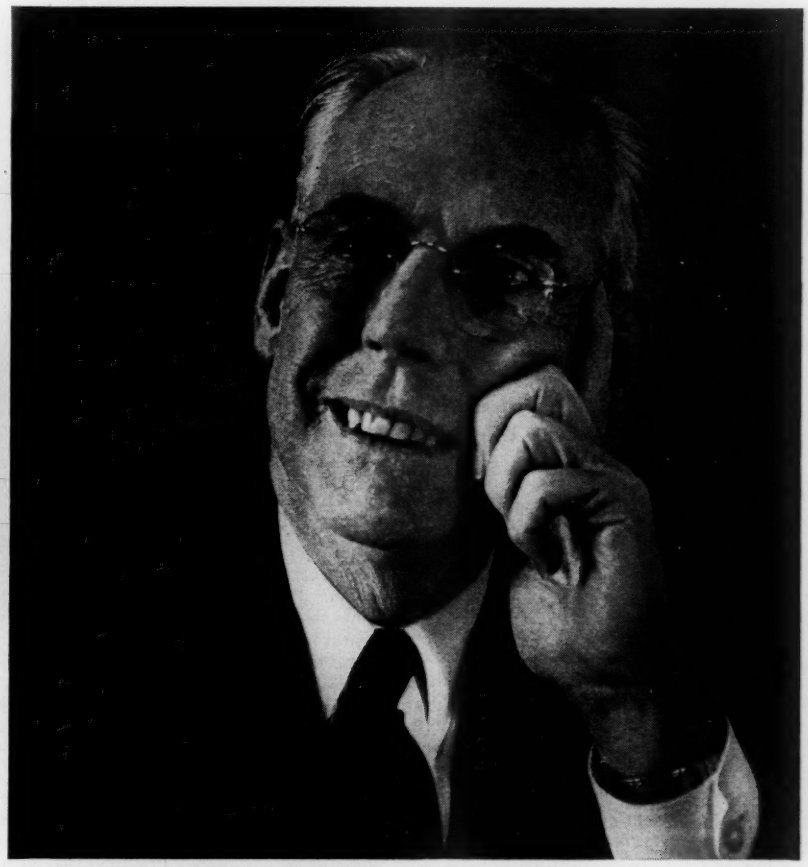
DRY ICE PACKAGED FOR SHIPPING.

"But that's the point. Instead of throwing the CO_2 away, we surveyed the dry ice industry, built an $800,000 plant at Santa Maria, and converted our waste carbon dioxide into dry ice.

"That was 1948. Since then we've produced and sold over 102,000 tons of dry ice. And the plant's about paid for. See what I mean by American initiative?"

* * * *

Part of the initiative and inventiveness was Gard's, certainly. He was Process Engineer on the Santa Maria project.



CLARE GARD, PROCESS ENGINEER—THIRTY-FIVE YEARS WITH UNION OIL.

A subsidiary company of ours has since built an ammonia plant which also makes dry ice. Union Oil is now the largest producer of this product west of the Mississippi.

So long as you and Gard and all of us continue to enjoy the encouragement and rewards of America's free competitive economy, this kind of inventive initiative will thrive.

YOUR COMMENTS ARE INVITED. *Write: The President, Union Oil Company, Union Oil Building, Los Angeles 17, California.*

Union Oil Company OF CALIFORNIA

MANUFACTURERS OF ROYAL TRITON, THE AMAZING PURPLE MOTOR OIL

1955

Under the Capitol Dome

SOME VOTES ARE MADE THIS WAY—

Congressmen Run Factory for Newsletters, Radio, TV

A Congressman nowadays doesn't have to go home to do his campaigning.

He can reach the voters from Washington, thanks to a big publicity mill that operates right inside the Capitol.

TV shows, radio broadcasts and newsletters are ground out by the thousands for lawmakers to send back to their home districts.

One of the biggest promotion businesses in the country is operating in the U. S. Capitol.

Each day, this publicity factory turns out scores of television shows, radio broadcasts, newsletters and newspaper columns—all aimed at keeping members of the House and Senate solid with the voters back home.

Studios in the Capitol Hill buildings, run by professionals, produce nearly 2,000 radio and television recordings and films a week. From Capitol mailing rooms some 300,000 newsletters typically headed "Your Congressman Reports," go out to voters each week.

Many Congressmen have standing engagements, weekly or at other intervals, to make recordings or films in one of the studios of the Joint Senate-House Recording Facility, a production unit set up by Congress.

These recordings and films, turned out and processed on a production-line basis, then are rushed to stations at home, to theaters or to clubs, political groups or other organizations that might use them to the Congressmen's advantage.

The whole thing has become an accepted part of the daily routine in Congress.

How the system works. A Congressman pays a small fee for the recording service, enough to help the facility to meet expenses. Robert J. Coar, who is in charge of radio work for Congress, says the charge is only a fraction of the commercial rate. Some commercial operators, who feel their business is hurt by this Government competition, complain that the facility pays nothing for rent, water, electricity or other utilities.

The Congressmen's recordings range from one-minute to half-hour performances. Usually they merely discuss current problems, explain to the home folks how they feel about national and local affairs. In the typical TV program, the legislator sits at a desk in front of a painted backdrop showing a window through which you see the Capitol.

Catching the news angle. The better showmen in Congress are constantly on the lookout for a timely broadcast opportunity, tied so closely to the news that it will be used readily by broadcasting stations. If the President makes an important announcement, or a big debate shapes up on the floor, such a Congressman makes a date with the Recording Facility, gives a little speech, and has the tape or film airmailed out home in time to go on the air that night.

When a delegation from home comes to Washington, it is likely to be invited to take part in a TV show. An important home-town union leader, industrialist or politician visiting Washington is often invited to be a guest star.

The National Republican Congressional Committee has a radio program that sounds as if a Representative were personally interviewing the Secretary of the Treasury or the Secretary of Agriculture. The Cabinet officer first makes the recording of answers to a set of questions. Then any Congressman who wishes may simply read the questions at the

—USN&WR Photos

SENATOR KNOWLAND RECORDS FOR RADIO . . . . . TAPES ARE MAILED TO THE HOME STATE

The Capitol's studios produce nearly 2,000 recordings and films a week

—USN&WR Photo

FILMED FOR AIR-MAILING, A TYPICAL TV SESSION WITH TWO CONGRESSMEN
Sometimes visiting constituents are "guest stars"

studio and his voice is dubbed in to make it sound like a face-to-face interview.

There is a constant search by Senate and House broadcasters for topics of strong appeal to the public. One television show recorded a trip aboard the atomic submarine *Nautilus*, another a tour of the Capitol, with the Congressman making introductory and closing remarks. One Congressman had an artist draw a cartoon sequence illustrating how Congress operates, and he has used it both in his newsletter and in TV programs.

Some Congressmen mail out postcards to tell the voters where and when they can hear or see the canned broadcasts. Some advertise their shows in newspapers.

Representatives from the big cities find it not as easy to get their recordings on the air as Senators do. In rural areas, stations are more likely to welcome canned material of both Representatives and Senators.

The popular newsletter. Members of the House do most of the newsletter writing. About 200 Representatives send out newsletters, often decorated with their pictures and fancy letterheads. Newsletters usually are sent weekly, biweekly or monthly. The Representative himself usually does a lot of work on them, but some members use ghost writers, and all get much assistance from their staffs.

The duplicating or offset printing is done in Congressmen's offices or in the Capitol printing plants. The big job of enclosing the letters in envelopes and mailing them is done free by the mailing rooms of the House and Senate. The postage on them also is free.

Some of the newsletters are serious discussions, some are partly chit-chat. Some tell what home folks have visited the member in Washington, what the member ate at President Eisenhower's luncheon, what Chief Justice Earl Warren said when he and the member met at the baseball game.

Some members of Congress bear down hard on personal correspondence and omit canned newsletters. Senator Mike Mansfield (Dem.), of Montana, says his only voter-contact work is "answering letters promptly." The mail of Senator Paul H. Douglas (Dem.), of Illinois, runs to about 1,000 letters a day.

Many Congressmen have regular newspaper columns.

Certain members believe that, as a result of their high-powered public-relations work, their constituents are better informed about congressional activities than ever before. Senator Wayne Morse (Dem.), for one, says if it were not for the broadcasting of his programs on 37 Oregon stations, his constituents would never know what he was doing or thinking, since papers in his State are "consistently against me."

Some are dubious about the whole idea and carry on no promotion activities. One such Senator, George D. Aiken (Rep.), of Vermont, says:

"You know you can overdo this television business. I know of one Senator from up my way who lost his seat after showing himself once an hour every day on TV during a campaign. You've got to be photogenic to make that kind of thing effective."

Senator Alben W. Barkley (Dem.) says, "I never felt I had any need for a television program. The people out in Kentucky know me so well that my face is just about as familiar to them as a pickle ad."

A growing business. In the last year, the number of radio and television shows originating in Congress has doubled. The number of newsletters from Senators and House members has trebled.

The staff of the Recording Facility, now 13, may be increased to 17 to handle the demand for radio and TV shows.

About 60 members of the Senate and 140 members of the House are regular customers of the Facility's studios. Most of the others make radio and TV recordings from time to time, especially when campaign season is approaching.

Many Congressmen have been surprised at the number of stations back home that stand ready to use their radio and TV shows.

These broadcasts give members of the House and Senate an advantage over politicians who might aspire to unseat them. When a Congressman's show is put on the air, it is billed as a "public service." An opponent cannot demand equal time until the campaign actually opens.

Old-fashioned handshaking and stump speaking are not on the way out. But members of the House and Senate, between campaign periods, are turning more and more to TV, radio, newsletters and news columns as effective devices to keep political fences mended.

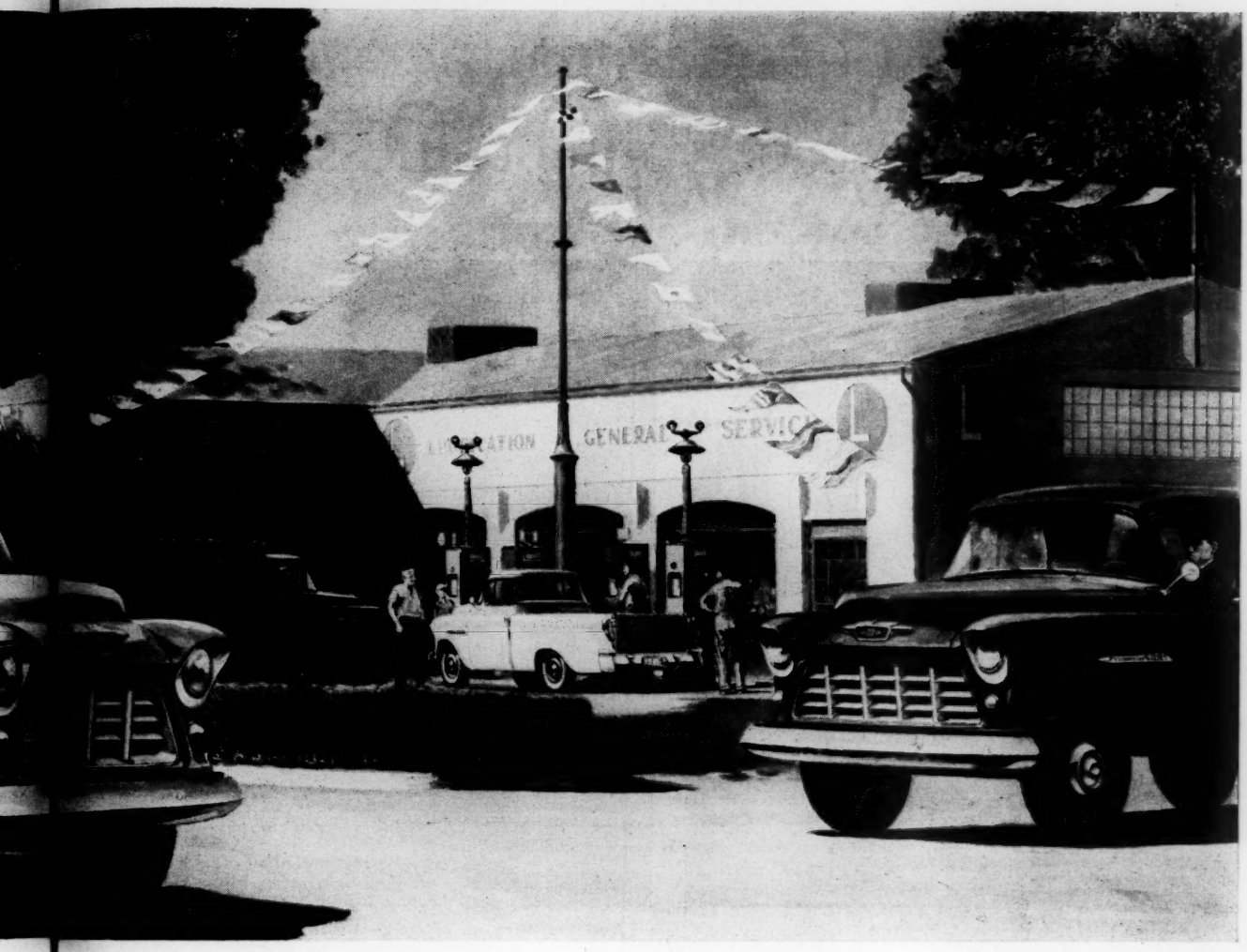
It's better business to buy Chevrolet Trucks! They're the most modern, most advanced trucks

And that means *your* job! For whatever your trade or task, there's a new Chevrolet truck made to match it with the newest of engineering advances.

You can tell just by looking that these new Chevrolet trucks represent a whole new approach to truck design. They're the world's first Work-Styled trucks with a fresh, eager champing-at-the-bit look, and with *two* distinctively different styling treatments—one for light- and medium-duty models, another for heavy-duty. That means your new Chevrolet truck will be dressed right for your job. And what an advertisement it will be for you and your business!

But styling's just the beginning! These trucks are new from the drawing board out! New cab . . . new frames . . . new engines with modern 12-volt elec-

NEW CHEVROLET *Task-Force*



for any job today!

trical systems . . . new higher capacity . . . new features and advances throughout! And each of these advances has real meaning for you in terms of dollars-and-cents savings on the job . . . in terms of faster schedules and reduced driver effort.

See the newest things in trucks at your Chevrolet dealer's! . . . Chevrolet Division of General Motors, Detroit 2, Michigan.

TRUCKS CHEVROLET

WORK-STYLING
A new approach to truck design

6 POWERFUL NEW "HIGH-VOLTAGE" ENGINES

The last word in **CAB COMFORT AND SAFETY**

NEW CAPACITY— UP TO 18,000 LBS. MAX. G.V.W.

NEW, MORE DURABLE STANDARD-WIDTH FRAMES

Easier handling with new **POWER STEERING***

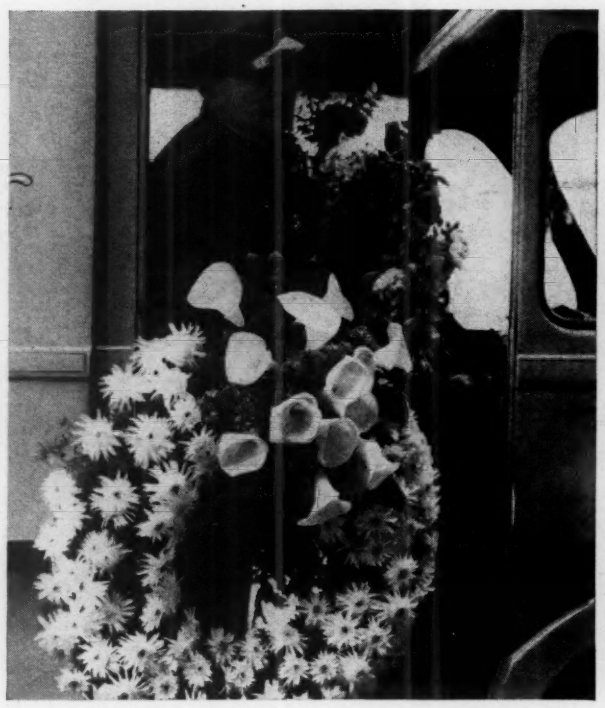
You can have **NEW OVERDRIVE*** *or* **HYDRA-MATIC***

POWER BRAKES*
for all models, standard on 2-ton models

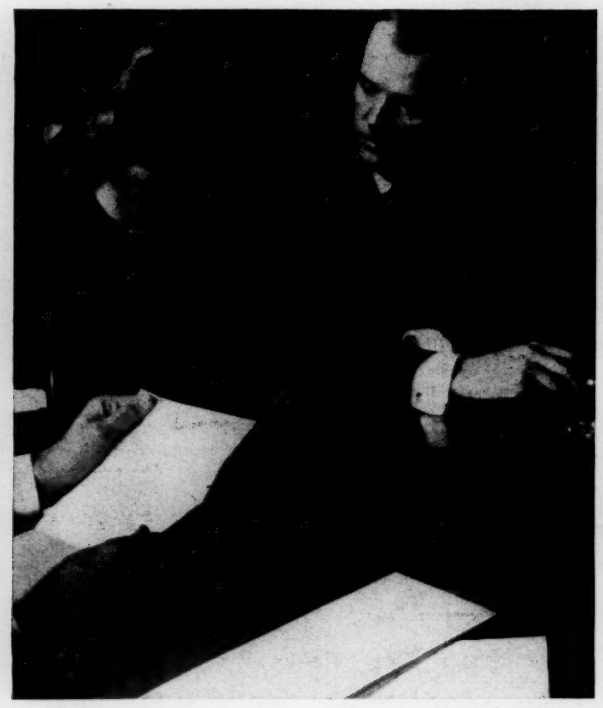
TUBELESS TIRES STANDARD
on ½-ton models

*Optional at extra cost. Overdrive available on ½-ton models, Hydra-Matic on ½-, ¾- and 1-ton models. Power Steering available on all except Forward-Control models.

Don't let a business partner's death be the death of your business, too!



Losing a business partner who, more importantly, has been a close personal friend, is tragedy enough in itself—without *adding* to the tragedy by losing your business, as well.



And yet, they so often go together. For it can be a matter of life or death if a deceased partner's heirs want to sell their holdings; or inject inexperienced hands into the business.

What steps can you and your partners take now? First, have your attorney draw up a Buy-and-Sell agreement that gives remaining partners the option to buy the deceased partner's shares. Then ask your Travelers man to arrange for Partnership-Life insurance so that the money is available for the purchase.

Please send me further information concerning Partnership-Life insurance.

*Name*_____

*Street*_____

*City*_____ *State*_____

USN-7-15

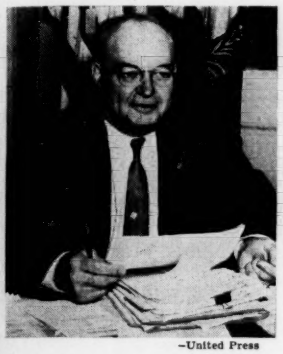
ONE OF THE LEADING LIFE INSURANCE COMPANIES

THE TRAVELERS

INSURANCE COMPANIES, HARTFORD 15, CONNECTICUT

All forms of personal and business insurance including • Life • Accident • Group • Automobile • Casualty • Fire

THE MAN ... Senator Clements **THE NEWS ... New Senate Leader**



–United Press

Steering the Democrats: A Knack for Compromise

An old football man now directs the Democratic team in the U. S. Senate. He's Clements, of Kentucky, and he plays politics the way some men play poker—as an all-absorbing game.

SENATOR EARLE C. CLEMENTS, of Kentucky, started his working career as a part-time football coach. He would watch his own team match plays and wits with the opposition. Then he would tell his men how to overcome their own weaknesses, where to hit the other team—and send them in to win.

In a way, that is what Senator Clements is doing for the Democrats now in his new role as acting Senate Majority Leader. He sizes up the Republican weaknesses and urges the Democrats to hit where it will hurt the most.

Mr. Clements is thoroughly familiar with his new job. As Majority Whip and assistant to the Democratic Leader, Senator Lyndon B. Johnson, of Texas, the Kentuckian has worked so closely with his chief that it has been hard to know where the work of one left off and that of the other started. Thus, Mr. Clements shouldered Senator Johnson's work as a matter of course when the Texan was ordered to take a long rest because of illness.

The shift in men means no change in Democratic policies. The Senate Democrats expect to continue to give cautious support to President Eisenhower. There is no plan that contemplates blind opposition; each move is to be carefully considered.

Mr. Clements is taking over the job as "head coach" at a moment when the pressures are high. Congress is hurrying to adjournment. There are many items in Mr. Eisenhower's program on which the President is demanding action: housing, schools, highways, health, minimum wages, other such things.

The days ahead are hard, driving ones for Senate leaders. In part, the collapse of Senator Johnson with a heart ailment is being attributed to the responsibilities that now are falling upon the 58-year-old Kentuckian.

"Cautious Clem." Inside his own party, Senator Clements has been called "Cautious Clem." The Democrats know that, when he suggests a course, he has considered it from every political angle. He appraises policies both for their effect on the factions inside the Democratic Party and for the impact on voters in the biennial battles with Republicans at the polls. He tries to calculate in advance what will be the countermove of Senator William F. Knowland of California, the Republican Senate Leader.

Senator Clements fits snugly into the role of mediator among the Democrats. Coming from a Border State, he can understand the reactions of both North and South. His present job is one that he once handled in the Kentucky Legislature. He knows how to get along with all the varying kinds of Democrats. He measures the men, knows their background alliances, develops his personal approach to them accordingly.

This faculty was recognized by Speaker Sam Rayburn, of Texas, and House Democratic Leader John W. McCormack, of Massachusetts, 10 years ago when Mr. Clements first showed up in the House as a member. He was marked then as a man with a sure grasp of political maneuvering.

Six years later, when Mr. Clements moved into the Senate after a term as Governor of Kentucky, the House leaders passed along word to important Senate Democrats that the new Kentucky Senator had a knack for behind-scenes manipulation that should be utilized.

–Harris & Ewing

SENATE LEADERS KNOWLAND & CLEMENTS
For the Democrats: a new head coach

Speedy progress. Within a short time, Mr. Clements was on the Senate's Democratic Policy Committee, helping to shape the party's course on legislative matters. In two years, he was Democratic Whip and deputy to Senator Johnson, a young man in a hurry. Mr. Johnson, a protégé of Speaker Rayburn, was only 1 year, 10 months and 24 days senior to Mr. Clements in terms of Senate service, 12 years junior to him in age.

It was not long before veteran Democrats were sending persons with questions about party policy to see Senator Clements. With his Border State outlook, he often could settle differences between the two groups of Democrats without the matter's having to go to Senator Johnson.

(Continued on page 76)

"We recently studied all the equipment in our plants and found some presses and other pieces of costly equipment being used only a few weeks each year. To run our plants on a low cost basis, we sold this 'part time' equipment and put Reynolds equipment and facilities to work for us. As a result, all our facilities are operating on a high volume basis augmented by parts from Reynolds."

There are 128 presses and over 200 major pieces of production equipment in *two plants alone* operated by Reynolds Aluminum Fabricating Service. The great variety of Reynolds specialized equipment enables you to obtain the economy of the machines best suited to your purpose without important capital investment on your part. For details, call the Reynolds office listed under "Aluminum" in your classified telephone directory or write direct. Also write for brochures covering Reynolds facilities and fabricated parts.

REYNOLDS ALUMINUM FABRICATING SERVICE

2084 South Ninth Street, Louisville 1, Kentucky

Photos taken in Reynolds Parts Producing Plants

REYNOLDS REDUCES YOUR RAW MATERIAL INVENTORY. Reynolds gives you *pounds of parts* instead of pounds of metal. You cut out costly metal inventory that does not go into finished parts.

REYNOLDS FREES YOUR WORKING CAPITAL. Capital earmarked for raw materials and equipment can be released for other use when you get high quality finished aluminum parts from Reynolds.

Middle-of-the-road outlook for Clements . . .

This was a talent that helped to move Mr. Clements into the chairmanship of the Democratic Senatorial Campaign Committee in 1954. He led the fight for election of all kinds of Democrats, insisting that money should go, alike, to "conservative" and "liberal" candidates. And when the campaign was over, he insisted that all men who called themselves Democrats should be seated under the party tent, although some of them had bolted national-party candidates and supported President Eisenhower.

Mr. Clements is a middle-of-the-roader in political philosophy, so it is no strain for him to understand the view of the Senator from the Deep South and that of the man from the North. He has supported the foreign policies of Presidents Truman and Eisenhower, has differed with some aspects of the Truman domestic program. In his posts on the Senate Appropriations and Agriculture Committees, however, he has backed rural electrification, school-lunch programs and such things.

Politics for a pastime. It is the strategy of politics that appeals most keenly to Mr. Clements. Just as a football coach might map his plays on a blackboard, so does he figure out political moves. He likes to fit personalities, desires and issues into a pattern that will win votes. Where another man might play golf, or tennis, or poker, he plays politics. It is an all-absorbing pastime. When he reads, he studies the *Congressional Record*, analyzes congressional reports and vote charts, digests commentaries on Congress and politics. He even likes the little chores that go with politics.

When bus loads of high-school students pour in from Kentucky, the Senator takes the youngsters under his wing and shows them the Capitol, has his picture made with them, asks about their parents. He keeps informed of every political current in his home State, knows party leaders and county officials in each of the 120 counties in Kentucky, numbers most of them as personal friends.

When Mr. Clements stepped out of the Governorship, he helped to put Lawrence W. Wetherby, his Lieutenant Governor, in his place. His personal link with Governor Wetherby is close. So are his ties with the political organization he himself built.

Football star—farmer, too. It was as a star football player at the Univeristy of Kentucky that Mr. Clements first was written up in the State's newspapers. He went into the Army in World War I, emerged as a captain of infantry, coached high-school football and did some politi-

. . . From House to Governorship to Senate

cal work for eight years. Then he started raising livestock and grain, as had his father and grandfather. He still owns a 200-acre farm.

Mr. Clements was almost 30 when he decided to devote full time to politics. His father and grandfather had been sheriffs of Union County. So had the father of the girl he married, Miss Sara Blue. The job of sheriff became the starting point for Mr. Clements. From sheriff, he moved to county clerk, to judge, to State Senator.

At least three years before he ran for Governor, Mr. Clements had decided upon the race. In 1944, when he was floor leader in the State Senate, he chose a seat in the U. S. House of Representatives as a springboard to the Governorship. Before primary time, he had the congessional district so firmly organized that the incumbent Representative withdrew.

In Washington, the late Fred M. Vinson, an astute Kentucky and national politician, tried to persuade Mr. Clements to run for the Senate in 1946 instead of holding back for the Governorship race in 1947. Mr. Clements figured that the only way to win control of the State organization was to capture the Governorship. He stayed in the House, kept his eye on his goal, got the Governorship in 1947, along with the State organization, and came to the Senate in 1950. Kentuckians say that his record as Governor was a good one.

Listener. The Senator likes people. Senators who call on him find that they do most of the talking, that a nod from Mr. Clements means that he understands their problem, not that he is committing himself. When he does talk, the Kentuckian speaks softly, mildly, surprisingly so from his 6 feet of height in a frame that carries 225 pounds.

Mr. and Mrs. Clements live in an apartment in the Woodley Park section of Northwest Washington, alone now since their daughter, Elizabeth, married last year. They do little entertaining, do not go to many parties, aside from the regular Kentucky State affairs. Their preference is for small dinner parties with a few close friends.

The Senator usually drives himself to his office and puts in from 12 to 14 hours a day at the work of figuring out the political plays of the Democrats. Football still is his favorite sport. He goes to games whenever he gets a chance. He likes to hunt and fish, but his principal exercise is walking. That is the kind of exercise that gives a coach a chance to think about the other team.

FIRST . . . CHECK FIRST

What is Dixie's newest crop?

Dollars are Dixie's newest and biggest crop. Per capita income is up over 250% since 1939, 64% over the national gain. If you plan to do business in the South, first check the folks who know the new South . . .

THE First NATIONAL BANK OF ATLANTA

NINETY YEARS AND ONLY THE BEGINNING 1865 90 1955

THE FIRST NATIONAL BANK OF ATLANTA

The bank that knows its neighbors

MAIL TODAY

The First National Bank Dept.—B-2
Atlanta 2, Georgia

I love dollars, so rush me the following information on the South:_____

Name_____

Address_____

City_____ Zone____ State_____

Reds Tell Refugees:

"ALL IS FORGIVEN, COME HOME"

And Some Who Escaped to the West Are Answering the Call

"Operation coax-back" is in full swing now. It's a deliberate campaign by the Reds to recapture refugees who fled west.

Escapees are being enticed, blackmailed, even kidnaped for the return trip behind the Iron Curtain.

Red goal: to win a few thousand back, spread the idea that life can be beautiful in the Communist part of the world.

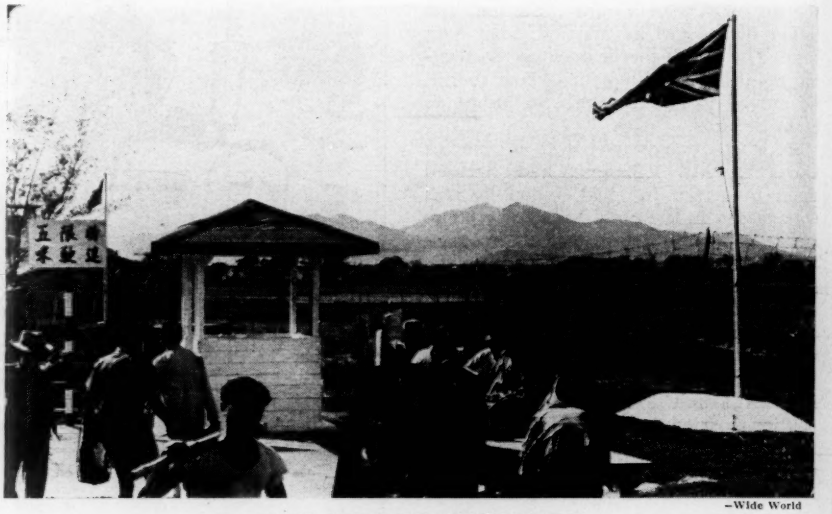
Reported from
BONN, BELGRADE and HONG KONG

Communist governments, all over the world, are telling millions of people: "Come home—all is forgiven."

Big inducements are offered. There are free, all-expense trips from any part of the world—one way. Once "home," the Communists promise, the prodigals will get good jobs, good housing, special prestige. Amnesty, "even for serious crimes," is offered those who repent and return.

In this campaign, Communists are pulling out all the stops. Refugees in the free world get letters from loved ones left behind, locks of hair from children who print letters begging the wanderers to return.

When persuasion fails, Communists turn to violence against key refugees. Some are kidnaped. Some are shot. Some receive bombs in the mail.



—Wide World

BACK HOME TO RED CHINA
. . . free travel, clothing, jobs?

—United Press

BACK HOME TO EAST GERMANY
". . . the motherland has forgiven me"

Getting results. Aim of it all is to wreck anti-Communist organizations abroad, to use those who return to discourage others who might be planning escape. And, so far, the campaign has had some success. Hundreds of East Europeans have returned from West Europe, a few from the United States. Just recently, 1,100 singing and laughing Chinese youngsters passed through Hong Kong into Red China.

Targets of the Communist campaign include 1.2 million East Germans and 250,000 East Europeans from other satellite countries who have fled into the free world. In Asia, the Red Chinese are out to draw back the young and the leaders among 12 million "overseas Chinese," and 7.5 million Chinese Nationalists.

Few refugees in Western Europe intend to go back. But thousands still live in squalid camps in Germany and Austria, waiting for some country to accept them, existing on handouts. To many of these a return "home" is appealing.

Agents planted among the refugees by Communist governments often spark the return. They try to persuade others to go back. And, when their usefulness is ended, these agents go back to Communist countries where they make propaganda speeches about bad treatment in the West.

Soviet Russia leads the "come home" campaign. In East Berlin the Russian Communists have set up a "Committee for Repatriation to the Homeland." It directs personal calls on refugees in the West, forwards letters, runs radio appeals, publishes newspapers. Russian refugees all over Europe are promised a good life if only they return and repent.

The Communist newspapers are packed with letters and testimonials from refugees who have returned. Typical theme: "The motherland has forgiven me."

Free travel. The trip home, including all meals and cash for incidental expenses, is paid for by Communists. Returning refugees can take anything they like back to the Soviet Union with them. The Communists say they can keep all possessions, too. They can choose the place to which they want to return; they are promised good government jobs, good apartments.

Thousands of refugees waiting in Europe for visas to the United States are "warned" what awaits them by letters, supposedly from fellow Russians now in the U. S. These refugees are told over and over that America is a bad place, that Russia is better.

"I suffer terribly from poisonous gasoline fumes," says one letter to a Communist newspaper published for refugees. "Immigrants here in the U. S. get only the dirtiest, heaviest jobs. Many people die of heart attack because they get no rest. Everyone is worn out from work. Don't come here."

"America," according to another letter said to be from an old Russian couple now living in the U. S., "is good only for those who have the heart of a bull, the muscles of an ox and the nerves of an elephant. For old people, the only way out is to the cemetery."

The satellite countries of Eastern Europe all have their own campaigns to get escapees and refugees back home. Rumania, Hungary, Bulgaria and Czechoslovakia offer amnesty. Albania's Communist Government sends telegrams and cables to refugees in the U. S., Yugoslavia, Greece and Italy.

Advertisements paid for by Communist governments appear in newspapers in the U. S. Similar advertisements have appeared in British, Canadian, Australian, Belgian, Swiss, Turkish and Latin-American papers. Personal letters, written by relatives and friends behind the Iron Curtain, are directed to individual refugees.

"For my family." One young Czech turned up at the State Department's Passport Division recently to get an exit permit from the U. S. He had hoped that his children, his wife and his mother could flee Czechoslovakia as he had fled,

(Continued on page 80)

OPPORTUNITY No. 1
See this site at Marley Neck, Baltimore. 3000 acres under one ownership —the Atlantic Seaboard's largest deepwater site.
Youill

SEE Big Opportunities in B&O Plant Sites!

$500,000,000 is a lot of money! That's what INDUSTRY invested thus far in 1955 in *new and expanded plants* and equipment in B&O's land of Big Opportunity! MUST be a REASON!

These plants found the *right sites . . . so can you!* Look them over with a B&O plant-location man . . . or see them *at your desk* in *3-dimensional color* and air *views.*

Ask our man! You can reach him at:

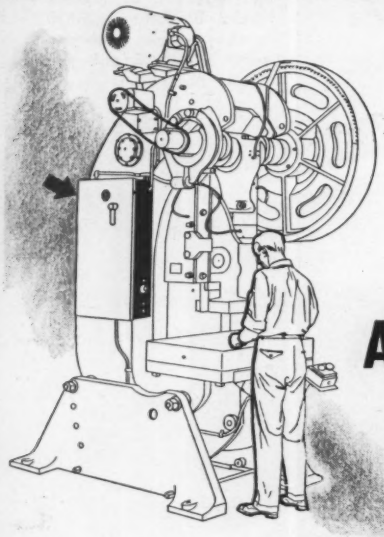
New York	4	Phone:	Digby 4-1600
Pittsburgh	22	Phone:	COurt 1-6220
Baltimore	1	Phone:	LExington 9-0400
Cincinnati	2	Phone:	DUnbar 1-2900
Chicago	7	Phone:	WAbash 2-2211

LINKING 13 GREAT STATES WITH THE NATION B&O

Baltimore & Ohio Railroad

Constantly *doing things* **—better!**

QUALITY MOTOR CONTROL MEANS CONTINUOUS PRODUCTION



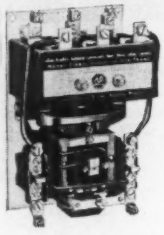
"CLEARING" Press

... equipped with

ALLEN-BRADLEY Motor Control

A-B Quality

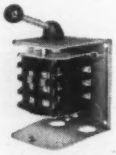
The Sign of QUALITY Motor Control



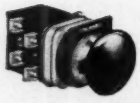
Bulletin 709
Across-the-Line Starter

At Allen-Bradley there is a never ending search for ways to build more "quality" into Allen-Bradley motor controls . . . to continue to keep pace with the progress being made in machine tools. That's why Allen-Bradley controls are the favorites of machine tool manufacturers.

Allen-Bradley Co., 1348 S. Second St.
Milwaukee 4, Wis.
In Canada—Allen-Bradley Canada Ltd.
Galt, Ont.



Bulletin 350
Reversing Drum Switch



Bulletin 800T Oiltight Push Button with Mushroom Head, and 3-Way Selector Switch.

ALLEN-BRADLEY
SOLENOID MOTOR CONTROL
QUALITY

[continued]

RED PLEA— "COME HOME"

could join him in the U. S. But they remained. Now they are writing him, begging him to come home. He is accepting the Communists' offer of forgiveness and free travel, leaving the U. S. "I must go home for my family," he said.

Much Communist time and effort are spent on the campaign. Warsaw Radio, for example, asks Polish refugees in Germany every day: "Do you want your children to grow up as Germans?"

When persuasion fails, violence follows. In Berlin and in West Germany,

—Wide World

THEY FLED TO THE WEST
. . . but they hear from the East

many refugees just vanish, leaving evidence that they were kidnaped.

Just recently a Slovak refugee leader living near Munich received a package in a suburban post office. He had refused many appeals to return to Communist Czechoslovakia. When he opened the package the bomb which it contained killed him and a woman bystander, injured 13 others in the building.

Those who return are squeezed for all possible propaganda value. In Czechoslovakia, Communists staged many press conferences in Prague presenting 30 Czech veterans of the French Foreign Legion who said that refugees from Communist countries were forced to fight as soldiers against natives in colonial wars.

The Communist campaign already has had some success in sowing suspicion and distrust among refugees, now con-

cerned about whom they can trust, who might be the next to accept the Communist "amnesty" and return.

Meaning. Most U. S. officials in Europe, however, see the campaign as a sign of Communist weakness, not strength. Communists are recognizing, they say, the damage done to them by people who have lived under Communism and now are free to talk, to spot lies, to report the truth.

In Asia, Red China is out to make Communists of 12 million "overseas Chinese" scattered throughout the world, particularly in Southeast Asia. To do so, the Communists appeal to youngsters who want a free education, to elderly couples who want to die in ancestral villages.

—Wide World

WESTERN REFUGEE CAMP
. . . a long wait for something better

Most of these, unlike the refugees in Europe who have experienced Communism, have never lived in China.

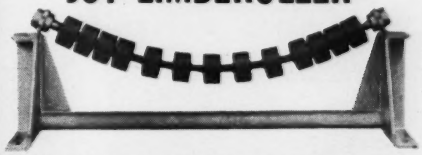
There are notable exceptions. The Communists are going all out to woo former Nationalist generals and officials who now live in Hong Kong as neutrals, supporting neither Chiang Kai-shek's Nationalists on Formosa nor the Communists.

A few Nationalist leaders have returned, most recently Gen. Wei Li-huang, one of Chiang's top lieutenants, who went broke in Hong Kong. A former Nationalist diplomat also returned recently after the U. S. vetoed his request for a visa to enable him to accept a teaching post at Yale University. Such men are given good jobs and prestige in return for public praise of the Peiping regime.

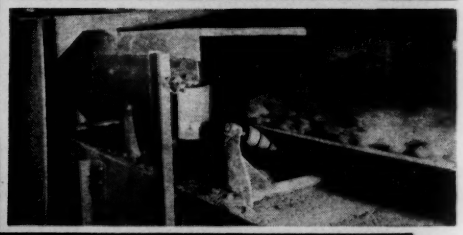
(Continued on page 82)

We're Looking for Conveyor Haulage Problems!

JOY LIMBEROLLER



MADE BY THE WORLD'S LARGEST MANUFACTURER OF UNDERGROUND MATERIAL-HANDLING EQUIPMENT



Put these idlers on your dusty, gritty or corrosive material jobs

. . . WHERE THEY PAY FOR THEMSELVES

Joy Limberollers are unique suspension idlers for belt conveyors. They consist of neoprene discs molded on flexible steel cable . . . a simple, give-and-take design that gives *exceptional* length of life. Only one bearing at each end—up out of the dirt.

On abrasive or corrosive jobs, a service life of ten or more times that of conventional idlers is not unusual. Witness the magnesium foundry where Joy Limberollers have operated since February, 1953 . . . and are still going strong! Compare this to the three-month life of the conventional idlers formerly used, *then figure the saving!*

For details on this modern, *new* solution to an old belt-conveyor problem, write for Bulletin LD-103 to ***Joy Manufacturing Company, Oliver Building, Pittsburgh 22, Pa.*** In Canada: *Joy Manufacturing Company (Canada) Limited, Galt, Ontario.*

WAD 1-5698

Consult a Joy Engineer

For Air and Gas Compressors, Oxygen and Nitrogen Generators, Vacuum Pumps and Boosters, Conveyors, Fans, Electrical Connectors, Hydraulic Fittings and Hose Assemblies.

JOY

SINCE 1851 . . . OVER 100 YEARS OF ENGINEERING LEADERSHIP

To men who influence the buying of PLASTIC PARTS

Your vital interest is naturally one of seeing that the right plastic material will be used.

Today the phenolics have the most widely diversified industrial use of all plastics. As a ready reference to their specific property values by classified groups, you may like to have handy a new booklet we have prepared —"Facts on Phenolics."

With this information at hand, much time can be saved in selecting the right type and specific material —

- **When you are thinking of plastic parts for industrial products —**
- **When you are planning design changes to improve whatever you make.**

"Facts on Phenolics" will supply you with the data you need, with examples of Durez phenolics in each group.

We'll gladly send a copy to you — and to any others concerned with engineering and design in your organization. Write us . . . we'll mail it to the people you designate.

DUREZ PLASTICS DIVISION
HOOKER ELECTROCHEMICAL COMPANY
907 Walck Road, North Tonawanda, New York
Export Agents: Omni Products Corporation, 464 Fourth Avenue, New York 16, N. Y.

DUREZ

PHENOLIC PLASTICS THAT FIT THE JOB

[*continued*]

RED PLEA—"COME HOME"

But Hong Kong is too close to Communist China for many refugees to be misled by Communist promises. Life in Hong Kong is difficult for refugees, but most still prefer it to the economic privations and hardships of Red China.

Distance lends enchantment. The farther Chinese live from their "homeland" border, the more bedazzled they are by Communist appeals to come home. This is particularly true of young, impressionable students born in Singapore or elsewhere in Southeast Asia. Offers of free education in the homeland draw them to China.

Just recently a party of 800 Chinese from Indonesia and 300 from Singapore passed through Hong Kong, on the way home. Most were teen-agers, but you saw pigtailed little girls under 12 and others, over 20, wearing their version of the Lenin-style jacket which now is standard Communist attire in China.

Two 19-year-olds, one boy and one girl, changed their minds about returning to China on the way from Singapore. Police whisked them away from others and delivered them to relatives. But the two would not talk about their change of heart. They feared retaliation when they returned to Singapore, where students have been beaten and killed for speaking out against the Communists.

In Singapore and Jakarta it is easy to see why these youngsters are attracted by the Reds. They are treated abroad as second-class citizens; they get their primary and secondary education in schools financed by the Chinese community. For higher education in their mother tongue they must go to the "new China," praised extravagantly by hard-core Communist fellow students.

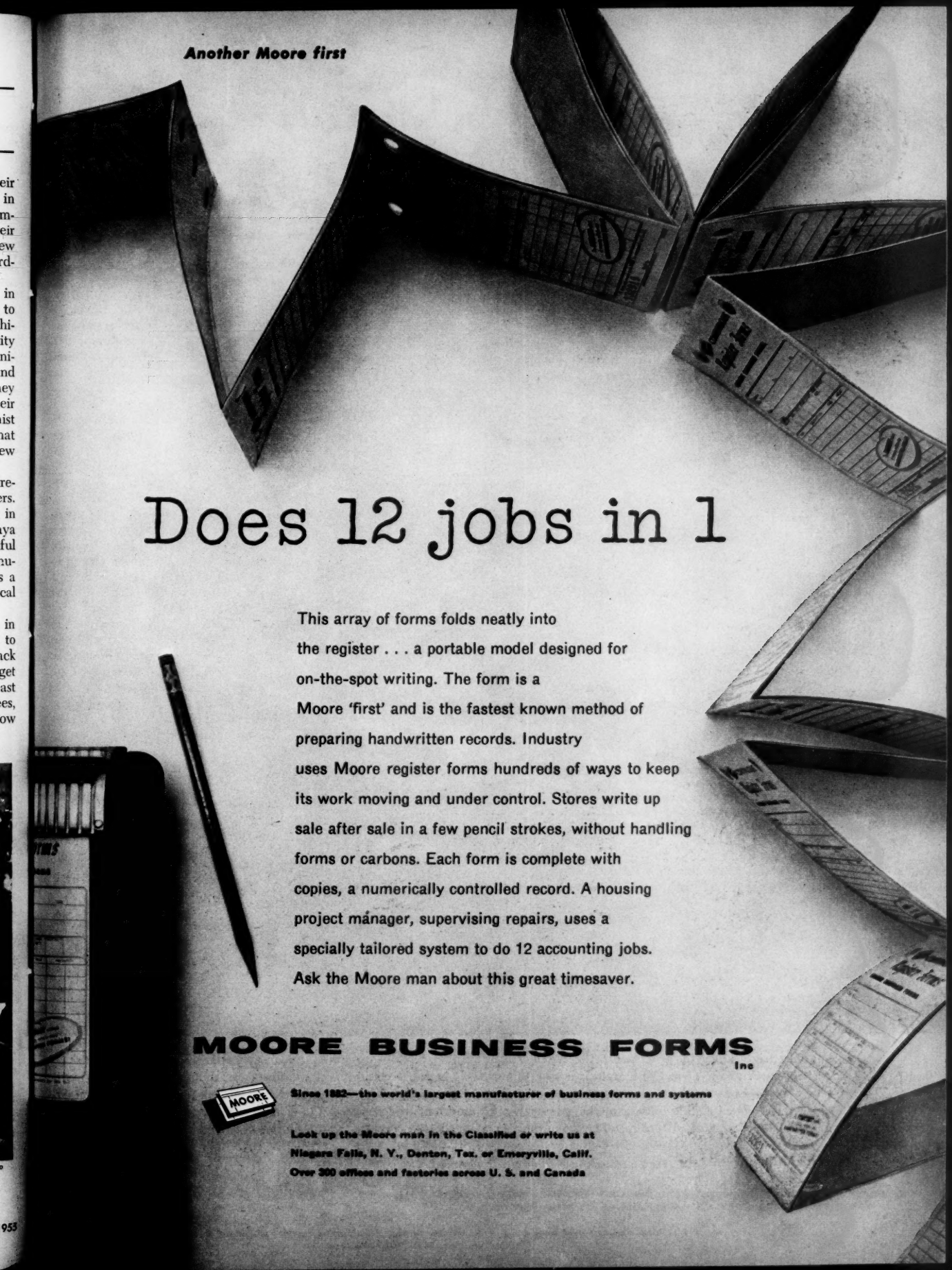
For 75 American dollars, a youth in Singapore can buy a one-way ticket to Hong Kong. There the Communist Chinese Government assumes responsibility for the trip to his native village, for university education, food, clothing and housing. Students realize that they may never be able to return to their families overseas, except as Communist agents, but they are sold on the idea that their "destiny is to help build a new China."

Older Chinese are encouraged to remain abroad as Communist sympathizers. They are a powerful economic group in Thailand, Indonesia, Singapore, Malaya and the Philippines. They are a fruitful source of foreign exchange for Communists. They may one day be useful as a built-in "Trojan horse" to help local Communists take over.

Limited objective. Communists in Asia and in Europe do not appear to expect to start any mass movement back to Communism. But they are out to get a few thousand back, enough to cast suspicion on all anti-Communist refugees, enough for propaganda at home to slow down the trek to the free world.

—Eastfoto

UNIVERSITY IN PEIPING
. . . free education is a potent lure


Another Moore first
Does 12 jobs in 1
This array of forms folds neatly into the register . . . a portable model designed for on-the-spot writing. The form is a Moore 'first' and is the fastest known method of preparing handwritten records. Industry uses Moore register forms hundreds of ways to keep its work moving and under control. Stores write up sale after sale in a few pencil strokes, without handling forms or carbons. Each form is complete with copies, a numerically controlled record. A housing project manager, supervising repairs, uses a specially tailored system to do 12 accounting jobs. Ask the Moore man about this great timesaver.
MOORE BUSINESS FORMS Inc
MOORE
Since 1882—the world's largest manufacturer of business forms and systems
Look up the Moore man in the Classified or write us at Niagara Falls, N. Y., Denton, Tex. or Emeryville, Calif.
Over 300 offices and factories across U. S. and Canada

A familiar sight along the Irish Coast, the 27,000-ton Britannic maintains a highly popular transatlantic service between New York, Cobh and Liverpool. Luxurious in accommodations and appointments, the Britannic possesses at the same time a sunny, friendly atmosphere preferred by many travelers who seek an ocean voyage just long enough to fully savor the perfection of Cunard food and service . . . to enjoy a really satisfying measure of festive shipboard life. The Britannic also offers a leisurely cruise to the Mediterranean each winter.

See your Cunard-authorized Travel Agent and... **GO CUNARD**

QUEEN ELIZABETH • QUEEN MARY • MAURETANIA • CARONIA • BRITANNIC • MEDIA • PARTHIA
FRANCONIA • SCYTHIA • SAMARIA • ASCANIA • SAXONIA • IVERNIA

An 18" x 22" color reproduction of this painting of the Britannic (without the advertising text and suitable for framing) will be sent upon request.
Write: Cunard Line, Dept. 17, 25 Broadway, New York 4, N. Y.

WHAT IKE SAYS ABOUT KHRUSHCHEV AND ARMS CUTS

Following are extracts from the transcript of President Eisenhower's press conference of July 6, 1955, with the President's answers authorized for direct quotation by the White House:

Charles E. Shutt *(Telenews)*: Mr. President, Soviet Party Boss [Nikita S.] Khrushchev made a couple of interesting remarks at our Embassy in Moscow on July 4.

One was that he made a point of saying the Soviets were approaching the "Summit Conference" with considerable strength, and that if we dealt honestly with them, they thought something would come out of it.

The other remark he made was that if there ever was another war, he hoped that the Soviets and the Americans would be on the same side.

Would you comment on that, sir?

The President: Well, with the first one, so far as I know, there is no individual in this Government that has ever said that the Russians, the Soviets, are coming to any conference weak.

Of course, we recognize their great military strength in the world. So that would seemingly be just thrown in for some reason of his own.

So far as approaching it in good faith, we would go there with very hopeful attitudes, but that hope has got to have greater food on which to nourish itself before it can become anything like expectation.

But we are going there honestly to present our case in a conciliatory, in a friendly, attitude, and we don't intend to reject anything from mere prejudice or truculence or any other lesser motive of that kind.

David P. Sentner *(Hearst Newspapers)*: Mr. President, have you received any information as to the make-up of the Russian delegation to the Big Four Conference?

The President: I have received none whatsoever.

* * *

Edward P. Morgan *(American Broadcasting Company)*: Mr. President, . . . could you give us the benefit of your thoughts, your own personal thoughts, now on the subject of disarmament?

For instance, do you feel that we, the American people, are going to have to move away somewhat from the concept of total drastic disarmament toward a sort of a standoff?

–USN&WR Photo

MR. EISENHOWER ANSWERS QUESTION ABOUT GENEVA
"We are going there honestly to present our case"

The President: I wouldn't want to have anything I now say taken as authoritative for the simple reason that the more one studies intensively this problem of disarmament, the more he finds himself in sort of a squirrel's cage. He is running around pretty rapidly, and at times he has a feeling that he is merely chasing himself.

Now, when we come down to it, every kind of scheme of, let us say, leveling off —as I understand your meaning, stand by, where you are now—or actually reducing, everything comes back, as I see it, to acceptable methods of enforcement.

How do you enforce such things? This brings us instantly to the question of examinations, of inspections.

Now, one way to approach this problem is what would we, in the United States—suppose we took a vote of this body today or we started as a Committee of the Whole to study it—what kind of inspection are we ready to accept? Are we ready to open up every one of our factories, every place where something might be going on that could be inimical to the interests of somebody else?

When you tackle that problem you really get into the heart of the difficulties involved, entirely aside from the political contention that there can be no easing of arguments until you ease the political tension.

But the other side will say, "But that political tension is never going to ease until you take away some of the threat of these armaments."

All of that is something, I believe, that could finally be resolved.

This question of inspection, what we will accept and what, therefore, we would expect others to accept, is a very serious one and, consequently, there is just nothing today that I could say that is positive beyond this point.

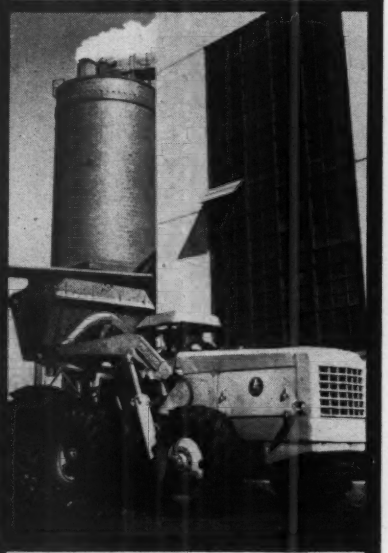
We earnestly want to find some answer to this complicated question because, from my mind, to my mind, it is perfectly stupid for the world to continue to put so much in these agencies and instrumentalities that cost us so much, and if we don't have this war, do us so little good.

* * *

Chalmers M. Roberts *(Washington Post and Times Herald)*: Mr. President,

(Continued on page 86)

How a **PAYLOADER®** saved $13,000.00 in nine months at **B. F. Goodrich**



This big 4-wheel-drive "PAYLOADER" works 60 hours a week moving coal from the reserve pile to a hopper at the power plant of The B. F. Goodrich Company. Previously this operation required 3 men and two machines. Paul Bentz, Manager of Transportation, says the "PAYLOADER" saved $13,000.00 in the first nine months — paid for itself in less than a year. This big tractor-shovel is equipped with a 2½ cu. yd. coal bucket and B. F. Goodrich 14.00-24 Tractor Grader Tires.

Whether your material-moving operations are indoors or outdoors . . . to unload boxcars or to handle 6 tons at a time . . . whether they involve coal or clay, sand or cinders — or *any* bulk material — there's a size and type of "PAYLOADER" to meet the challenge. And 10 to 1 there's a "PAYLOADER" paying-out handsomely on a similar job for someone else. Sizes 14 cu. ft. to 2½ cu. yd. bucket capacity.

WRITE FOR full information on the complete line of proven "PAYLOADER" tractor-shovels and the name of the nearby Distributor who sells and services them.

PAYLOADER® manufactured by
THE FRANK G. HOUGH CO.
953 SUNNYSIDE AVE., LIBERTYVILLE, ILL.
SUBSIDIARY—INTERNATIONAL HARVESTER COMPANY

. . . "We mustn't admit defeat" on arms control

is the question of control that you just mentioned in relation to disarmament the type of problem that you expect to discuss at the Big Four meeting?

The President: No, not any more than this: We don't intend to discuss, you know, substantive problems. But this question might come up: Where would we find the best group, the best channel or the best method in which to place this problem?

Now, that might come up, but we would not attempt to state there what kind of inspection we would be ready to accept or what kind the other side would be ready to accept. But we might say which is the best group that has a chance to come up with an answer that at least we can start studying.

* * *

James B. Reston *(New York Times):* Mr. President, on this disarmament question, sir, are you satisfied that it is possible, through unlimited inspection, to detect the manufacture of these weapons under modern circumstances?

Limits on Inspection

The President: Well, no. I think, Mr. Reston, that no one can say that through any type of inspection you could find items that have been already manufactured and concealed and, indeed, if there was peacetime work going ahead, as reactors working with even a lower grade, I think there would be no assurance that you could not convert them rapidly into war use, nor, I think, possibly could you be sure that they weren't actually producing a little bit of, you might say, extra, auxiliary, that was going into weapons.

But I do believe this: There are lots of ways in which this thing can be approached other than just that.

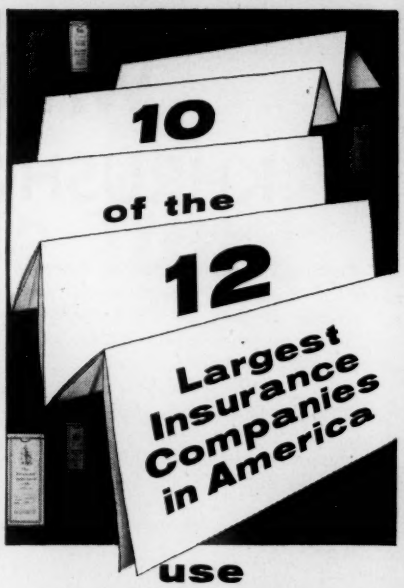
For example, let us take the delivery schemes. We know that when you get to long-range bombing you need very large machines and very large fields of which to—from which they take off.

Now, those can be detected. And there are other ways of approaching it. And we mustn't admit defeat merely because of that one fact to which you call attention.

Mr. Reston: Mr. President, are the weapons themselves not getting considerably smaller so that the second point is not decisive either?

The President: Well, you mean that they could be introduced into a country other than by transport, after the war starts?

(Continued on page 87)



use

ATLANTIC PAPERS

In large insurance companies paper is a major expense. So — as in any volume purchase — careful checks are made: checks for strength, checks for printability, checks for feel — and, of course, a careful check on value received.

When the last test is made and the *proved* results are in — 10 of America's 12 leading insurance companies use Atlantic Papers. Doesn't this suggest that *your* business might profit from better looking, better printing Atlantic Papers? Why not specify Atlantic on your next paper or printing order?

ATLANTIC BOND — A *genuinely* watermarked bond paper for crisp, clean letterheads, envelopes and office forms.

ATLANTIC MIMEO — A top-quality mimeo that feeds smoothly, runs well — perfect for bulletins, interoffice forms, direct mail pieces.

ATLANTIC LEDGER — A tough, smooth sheet that gives outstanding performance in office or bookkeeping forms . . . or wherever you need a paper that stands up.

EASTERN

AMERICA'S LEADING BUSINESSES USE

Atlantic

FINE BUSINESS PAPER

MADE BY EASTERN CORP. • BANGOR, ME.

. . . "Trust—foundation of any real peace"

I think there would be some danger of that. But, on the other hand, there is also danger to both sides because the instant such a thing, one would be found, it would be practically a declaration of war against you, wouldn't it? And so there is a great risk there also.

Martin Agronsky *(American Broadcasting Company)*: Mr. President, on the second point you made of detection—of long-range bombers and things like that—you responded that you thought, you were thinking about the introduction of atom weapons into another country and, possibly, detecting that.

I think what we have in mind is the guided missile where you just need a launching platform.

The President: Well, a guided missile, though, is not made in a very small factory, and when it is made I think its character can be determined instantly.

You see, the trouble in this other field is you don't know what this material is being made for and it could be hidden away in very small spaces.

But, I don't believe that you could take an extensive guided-missile program and conceal it from any decent or effective system of inspection.

"We Must Search"

Mr. Agronsky: Mr. President, would I be correct in understanding then from what you have said so far on this whole disarmament thing, and on inspection, what you come down to is the question of good faith, that you have to believe that you have arrived at a point where you can trust those because it is impossible to get adequate inspection and control?

The President: Mr. Agronsky, this is just as true as you are standing there. In the long run, the kind of peace for which we are seeking, the kind of peace that will allow people to be really tranquil and confident in their daily pursuits, that will be achieved only when nations have achieved that mutual trust of which you speak.

Now, what we are up against now is an interim phase. We are trying to make a step toward that and to reduce burdens at the same time.

So I should say that, knowing that we not yet—none of us has that trust in the opposite side, we must search diligently for some means to lessen this danger and proceed a little ways toward the creation of that trust which must, in the long run, be the foundation of any real peace.

OZALID
4 Billing Machines
Electric, standard make; 2 late models two years old; 2 four years old. First class condition. Cost $3580 new. Call 5-7126.

Big story in a want ad—

Four electric billing machines for sale . . . because the invoicing formerly done by four girls is being done by one—with an Ozalid machine! Saving $700 a month!

How? Salesmen write their orders on translucent paper forms. Prices, extensions, directions, and terms are added. Ozalid copies serve as invoices, bills of lading, sales records, etc.

Ozalid makes exact, clear copies of anything typed, written, printed or drawn on any translucent (lets light through) material—without negatives, stencil, messy developing. The copy is made in less than a minute, costs less than 2¢. And anybody can use an Ozalid machine.

Ozalid gets rid of hand copying, retyping, transcribing or redrawing—saves time spent on repetitive tasks. And makes quick copies of bulletins, reports, memos, letters, charts, etc.

Ozalid-copied requisitions are used as purchase orders, vouchers, debit memos, receiving records—often save discounts as well as time.

Any office can save time, cut costs with Ozalid. For a demonstration, call any Ozalid distributor *(see phone book)*. Or write 30 Ozaway, Johnson City, N. Y. In Canada, Hughes Owens Co., Ltd., Montreal.

Ozalid—A Division of General Aniline & Film Corporation . . . *From Research to Reality*

OZALID

BAMBINO *(right) is the smallest, fastest, low-priced office copying machine; will make 200 copies an hour, as wide as 9" for less than 2¢ a copy.*

Special Report

(This article represents the result of an extensive research on a problem of outstanding importance.)

THE BUILDING BOOM BEGINS TO LET DOWN

The end of the construction boom, an event long feared by many businessmen and economists, seems to be at hand.

However, the decline from peak construction now promises to be so small and gradual business will have no cause to worry.

This article tells you why. It is based on the latest data from Government and private sources.

The big construction boom that has helped keep business strong since World War II gives signs of passing its peak.

A letdown is developing, but one so gentle that business scarcely notices it.

Spending for construction in the second half of this year is to be just six tenths of 1 per cent less than the record-making pace of the first half of the year, according to the official Government forecast. Continuation of the trend into 1956 will result in just a little further decline, the Economic Unit of *U.S. News & World Report* estimates.

This change from boom to slight decline, possibly a milestone on the post-war path of business, is charted on this page.

Since World War II, construction has been growing to undreamed-of proportions. Business recessions in 1949 and 1953-54 failed to slow the builders and contractors for more than a few months. Year after year saw a new record set.

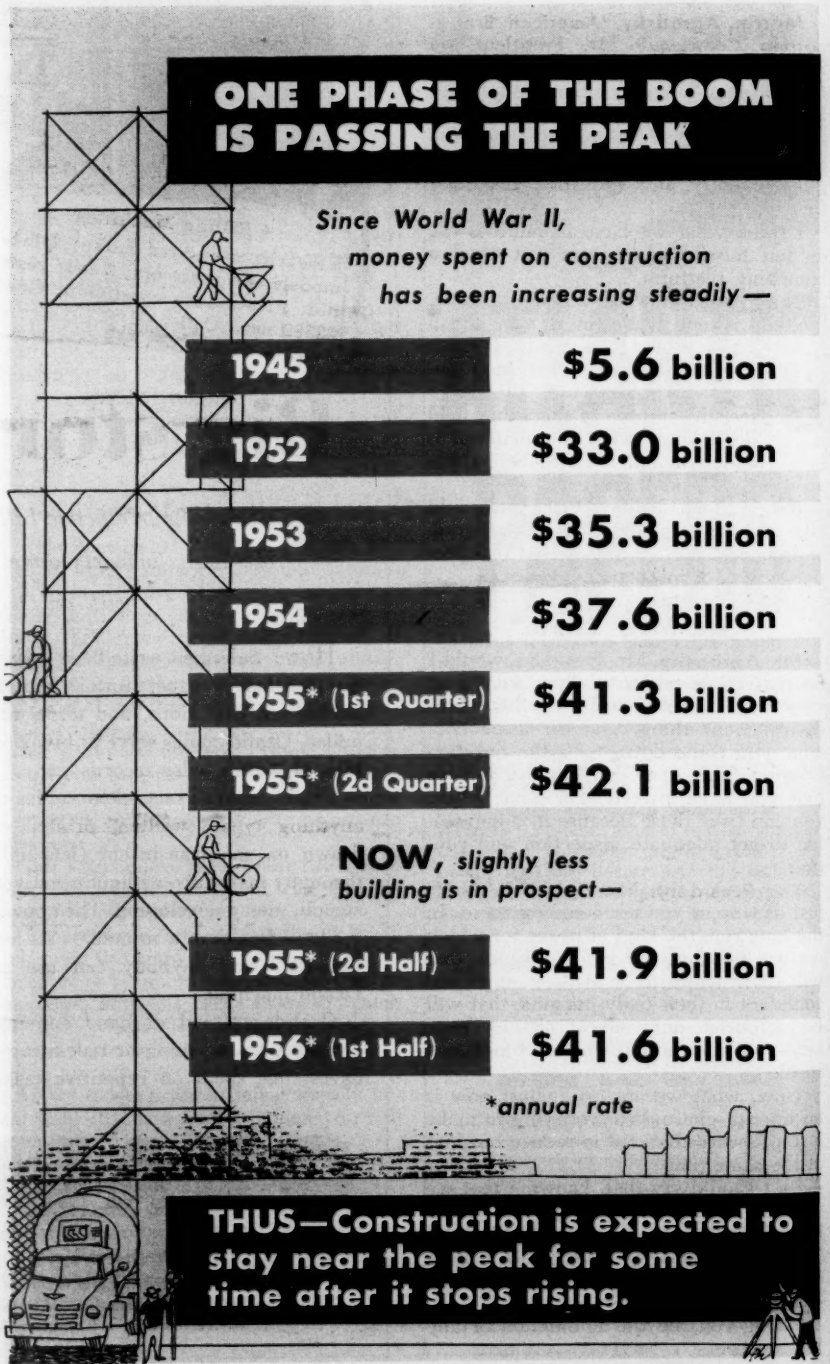
In that respect, 1955, despite a smaller second half, is to be no exception. Total value of construction this year is forecast at a record 41.8 billion dollars, nearly seven and a half times the amount of 1945.

Against that background, construction stands out as the most consistently bullish industry of the decade. It shares honors, along with buoyant consumer buying, for keeping recessions mild.

Now, this prop seems likely to be getting a bit weaker.

Signs of a letdown. The home-building business gives the chief evidence that the construction boom is losing some of its steam.

Fewer contracts are being signed to


ONE PHASE OF THE BOOM IS PASSING THE PEAK
Since World War II, money spent on construction has been increasing steadily—
1945 $5.6 billion
1952 $33.0 billion
1953 $35.3 billion
1954 $37.6 billion
1955* (1st Quarter) $41.3 billion
1955* (2d Quarter) $42.1 billion
NOW, slightly less building is in prospect—
1955* (2d Half) $41.9 billion
1956* (1st Half) $41.6 billion
*annual rate
THUS—Construction is expected to stay near the peak for some time after it stops rising.

Source: 1945-55, Commerce Dept.; estimate by USN&WR Economic Unit

© 1955, By U. S. News Pub. Corp.

build new homes, according to reports of the F. W. Dodge Corporation, well-known authority which collects data in 37 States east of the Rockies. These reports showed a 20 per cent drop in dollar volume from February to June, after allowing for the usual seasonal change.

In line with this drop in contracts, there is a dip in the Government figure on the number of new nonfarm homes actually begun. Starts were figured at an annual rate of 1,478,000 last December and 1,306,000 in May.

Here and there, field offices of the Federal Housing Administration find that new houses, once built, are slow to sell. In a number of cities, including Dallas, Tucson, Wilmington, and Portland, Oreg., Government officials have taken steps to discourage new starts until buyers are found for unsold units.

Private lenders and Government agencies are slowly tightening terms on which people can buy new houses. It is becoming harder to get a house without paying any cash and with a low-interest, 30-year mortgage.

Meanwhile, it is becoming easier to find a place to rent—and in some cities cheaper. Marriages are fewer and this means less demand for apartments.

Such trends are counted on by many economists to keep home building at a slower pace now. However, most experts feel there will be demand for at least a million new homes a year. No severe collapse is feared.

Farmers are putting less money into houses, barns and other buildings. This is in line with the drop in farm income and the amalgamation of farms into larger, more economical units.

Fewer new power plants. A letdown is coming also in the construction of privately owned electric-power plants. The utilities have been expanding rapidly in recent years; in 1956 their plans call for about one-third less expansion.

At the same time, some types of commercial building show signs of hitting a peak. Contracts placed for offices, warehouses and lofts are not so large as they were around the end of last year.

The Government is spending less for atomic energy and other federal defense plants. States, cities and other local agencies are spending less for hospitals.

Thus, in a number of important lines, construction is tapering off. However, a serious sag is prevented by increases in other building.

More factories. Private companies are putting up more new industrial facilities, ranging all the way from giant factories and refineries to freezer plants and dry-cleaning establishments. A pickup in private investment in plants—and also installation of machinery—is a sign that the boom in business generally is going strong, even if the construction industry is losing some steam.

(Continued on page 90)

Spells Out Your Favorite!

Yes, the popularity and success of Black & White Scotch Whisky can be told in two words: quality and character. They never change!

"BLACK & WHITE"

The Scotch with Character

BLENDED SCOTCH WHISKY 86.8 PROOF

THE FLEISCHMANN DISTILLING CORPORATION, N. Y. • SOLE DISTRIBUTORS

The HARE *and the* TORTOISE

Bang! And the hare was off like a shot, the race half won. Then he stopped for a rest — but the tortoise didn't. He just kept plodding along, finally caught the hare napping — and, as everybody knows, went on to win in a walk.

That's the way it is in the stock market, too.

Day after day you hear stories about spectacular profits being made in the market . . . about big speculators who made fortunes overnight.

But year in and year out, the man who does best is apt to be the one who invests for the long pull, who adds a little to his portfolio now, a little then.

Nothing flashy about it, but if that's the kind of an investment program that appeals to you, we'll be glad to help.

Just write us a letter about your situation, and we'll tell you what kind of investments seem most suitable for you. There's no charge, of course, you simply address—

WALTER A. SCHOLL
Department SA-33

MERRILL LYNCH, PIERCE, FENNER & BEANE
70 Pine Street, New York 5, N. Y.
Offices in 106 Cities

Where construction still is growing: commercial buildings, churches, schools, swimming pools, airfields, highways . . .

While electric-power companies plan less expansion, railroads step up their orders for freight cars. Gas, telephone and telegraph companies expand their facilities. Construction of pipelines and local transit systems is holding up.

Commercial construction, on the whole, is rising, though less money is going into certain types. There is a continuing boom in the building of new stores, restaurants and garages. The outcropping of suburban shopping centers has no letup.

New churches are going up at a record rate. Congregations, well off, are moving out of churches built back in the 1920s and 1930s and now too small.

A big business has developed in swimming pools. Homeowners are organizing clubs to finance and run pools that are open to members only. Cities and States are spending larger sums on park facilities and other public recreation centers.

More public works. The drop in building of defense plants is more than offset by increases in other public projects.

Construction of military airfields, guided-missile stations and similar posts is rising. Present plans call for a further increase in 1956.

School building is the biggest ever and scheduled to increase. This year, for the first time in a long while, school districts are spending enough money, nearly 2.6 billion dollars, to keep up with the current increase in enrollment. This still is not enough to make a dent in the backlog of needs that developed in the years of less liberal spending, school authorities say.

Next year, public-school construction is expected to be at least 2.8 billions.

Highway programs have set new records repeatedly these last eight years, and the record-breaking trend will continue in 1955 and 1956. Outlays by local governments, States and the Federal Government are forecast at 4.2 billions this year and at least 4.5 billions next year.

Currently, Congress is making some progress on larger federal-aid plans for highways and schools.

The cost of new water and sewer systems is increasing by about 100 millions a year. Suburban growth and the increasing demands of modern city living are expected to sustain a steady increase for years to come.

Thus, in almost every line of building where there is some sign of weakness there also are new demands arising. You see the result of this balancing-of pattern in the table on this page. This is why the letdown in total construction is too small to check the nation's prosperity.

Where building slumps. There are some local slumps that are more substantial, however.

What's Ahead in Building—

(annual rates)

	1955 2d Quarter	1955 2d Half	1956 1st Half
Private housing	$16.2 bil.	$16.1 bil.	$15.5 bil.
Private industrial	$ 2.3 bil.	$ 2.1 bil.	$ 2.3 bil.
Commercial	$ 3.0 bil.	$ 3.0 bil.	$ 2.9 bil.
Farm	$ 1.4 bil.	$ 1.4 bil.	$ 1.3 bil.
Private utilities	$ 4.6 bil.	$ 4.5 bil.	$ 4.4 bil.
Public works	$12.2 bil.	$12.4 bil.	$12.8 bil.
Churches, private schools, other	$ 2.4 bil.	$ 2.4 bil.	$ 2.4 bil.
TOTAL	**$42.1 bil.**	**$41.9 bil.**	**$41.6 bil.**

Source: 1955 derived from Commerce Department estimates; 1956, estimated by USN&WR Economic Unit

. . . Some local slumps in building reported

Government figures on the value of building permits show declines in the first quarter of this year compared with a year earlier, of 42 per cent in North Dakota, 33 per cent in Kentucky, 17 per cent in Rhode Island and 15 per cent in Wyoming.

In some other areas, there are large gains. Figures on building permits are running twice as high in Vermont this year as last. Other gains are 95 per cent in South Carolina; 83 per cent in Los Angeles, Calif.; 79 per cent in New Hampshire; 70 per cent in Birmingham, Ala.; 62 per cent in South Dakota; and more than 50 per cent in Colorado, Delaware and Iowa, and in the cities of Memphis, Seattle and Rochester, N. Y.

Thus, building has turned spotty. In some areas and in a few major lines, the boom has given way to a decline. Elsewhere, the boom is still going strong.

Since the war, economists have been wondering what would happen when the big construction spree passed its peak. Looking back at earlier periods, they saw that construction often rode a roller coaster, rising to great peaks, then dropping to very low levels. They wondered if a big drop would come this time as a shock to the economy.

The pattern now developing is viewed by economists as reassuring. It indicates a gentle transition, in which building remains a very big business.

—USN&WR Photo

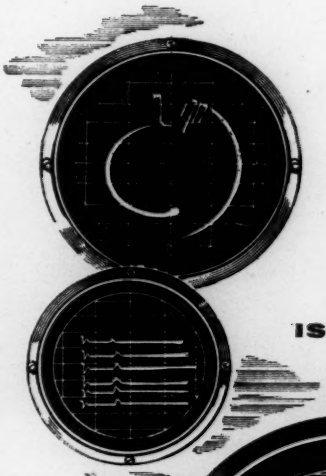
NEW CONSTRUCTION
. . . losing some steam

NEW "HEADLIGHTS" for the high-speed highways of automotive progress

New Du Mont cathode-ray instruments...like headlights on the "highways" of advanced industrial research...now assist the brilliant vision of American automotive designers in *buying, building and selling* better values!

These new instruments can help to *predict* safety, performance, comfort and economy, from new design to finished products. They can reveal, faster and more economically, such factors as the strength of materials and parts under actual stresses and strains. They portray graphically the resiliency of springs... the capacities of frames and axles... the quality of finishes. One spectacular new Du Mont device saves time and error in design and production, by instantly identifying any cause of engine malfunction.

The "headlights" of Du Mont research and development in all fields of televisual electronics can often show a *better* way... benefiting many industries, national defense, science, and the home. Du Mont products... based on the pioneer Du Mont development of the commercially practical cathode-ray tube... offer highest precision and reliability.



VISION IS THE DU MONT® DIMENSION

First with the Finest in Television

ENGINEERS—The Allen B. Du Mont Laboratories offer an atmosphere of achievement for successful careers. Our employment manager at 750 Bloomfield Ave., Clifton, N. J., welcomes inquiries.

RESEARCH DIVISION
CATHODE-RAY TUBE DIVISION
BROADCASTING DIVISION
RECEIVER DIVISION
COMMUNICATION PRODUCTS DIVISION
INSTRUMENT DIVISION
GOVERNMENT MANUFACTURING DIVISION
INTERNATIONAL DIVISION

Allen B. Du Mont Laboratories, Inc., Executive Offices, 750 Bloomfield Avenue, Clifton, N. J.

"Gentlemen, we're running this business like a popcorn stand!"

When a popcorn vendor takes inventory, he checks the salt and butter and makes a rough guess at how much corn's in the popper. Guesswork likewise establishes the work-in-process figure in many a company's monthly statement.

Hence this board chairman's uneasiness. He has only an *estimate* on the value of goods going through the shop. He doesn't know how much has been *actually invested* in them – collectively or by type of product. Under existing procedures, he can't find out for weeks, till a detailed physical inventory is taken.

As it happened, one of the directors knew about Keysort punched-card accounting. He gave us a plug.

Next day, the McBee man showed the chairman how Keysort could give him exactly what he wanted, and *on time*, too – by the 4th of each month. Result: no more "guesstimates" in this company's statements.

A McBee Keysort installation can give you comprehensive, accurate reports on every phase of factory operation, and give them to you *fast*. On your desk monthly, weekly, daily – as your needs require. Whether you run a titan of industry or a 100-man branch plant. And at remarkably low cost.

The McBee man near you can show you how it's done. *It will take him one hour, from start to finish.* Phone him or write us.

McBEE KEYSORT®

Punched-card accounting for any business

Manufactured exclusively by **The McBee Company, Athens, Ohio** • Division of Royal McBee Corporation
Offices in principal cities • In Canada: The McBee Company, Ltd., 179 Bartley Drive, Toronto 16, Ontario

News YOU Can Use ®

IN YOUR PERSONAL PLANNING

24th and N Streets, N.W.
Washington, D. C.

Your federal income tax return isn't as secret as it used to be. More people are getting the right to take a look at what's in it. Here's the story:

STUDYING RETURNS. President Eisenhower has just authorized the Internal Revenue Service to make available individual income tax returns to the Social Security Administration, which thus becomes the latest in a growing list granted the same right. Others are the Commerce Department, seven congressional committees and three more Government agencies.

Social Security says information it has been getting about people's earnings isn't always enough for proper administration of the old-age-pension law. It has been able to get data from IRS in the past, but that took a lot of rigmarole. The new authority makes it easier for field offices to look at your return.

SKETCHY DATA. Most of the problem, spokesmen say, arises from sketchy information in Social Security forms filed by self-employed persons. A widow, for example, asks for benefits based on her husband's earnings; she doesn't know, and it isn't clear from the records, whether his earnings qualified as self-employment income for Social Security purposes. For this question--and many others--a look at tax returns is the only recourse.

BROAD PEEK. Social Security insists its main interest in getting the right to look at returns is to help individuals establish claims. Wording of the President's authorization, however, is broad enough to allow a peek for any appropriate reason--to check up, say, on whether a person drawing benefits and also earning money in a job is earning more than the $1,200 limit the law allows. Individuals are required to notify the Social Security Administration if they expect to go over that amount. Some, in the past, have failed to comply.

Social Security must keep confidential any information it gets from a return.

MAIL BOXES. The Post Office Department says the color scheme for corner mail boxes it has been trying in a few cities has proved itself, will be extended nationally. The boxes are to be painted red and blue with white letters, to make them easier to spot. Storage boxes used by postmen will stay olive drab.

SWIMMING POOLS. If you belong to a civic group that is thinking about building a neighborhood swimming pool, here are tax angles to consider:

The Internal Revenue Service slaps a 20 per cent tax on initiation fees,

(over)

assessments, and membership dues of social organizations when those charges are more than $10 a year. That would apply to a neighborhood-pool group.

Thus you would have to allow for a $40 tax in figuring on $200 per family as the amount needed to build the pool. If, though, you charge a $10 initiation fee and ask for a contribution of $190 there would be no tax. IRS might look closely, however, to be sure the setup was bona fide--that you wouldn't refuse membership to anyone willing to pay the $10 but not the $190.

Also, the $10 rule on dues applies to members individually, so you could charge $10 a year for each person in a family without incurring a tax.

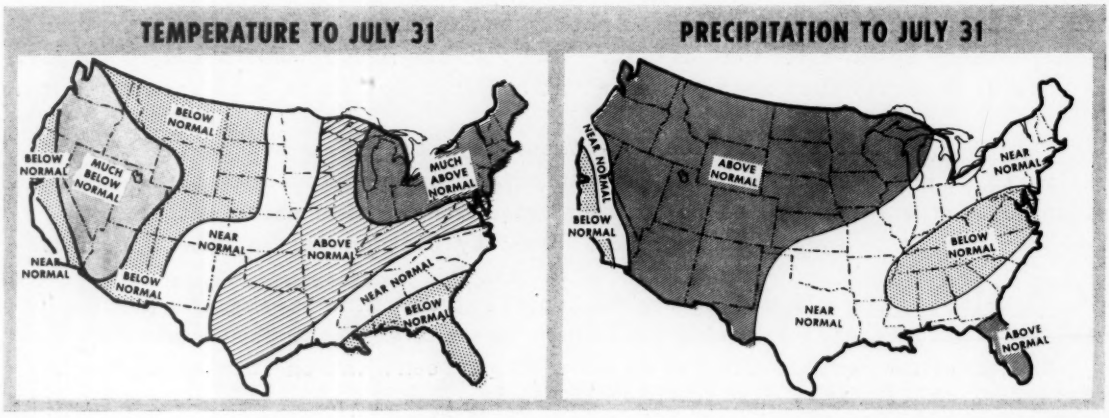
SHARECROPPING. Social Security problems that arise when someone works your farm for you on a crop-sharing basis are answered by top tax man T. Coleman Andrews. Under the ordinary sharecropping arrangement, the farm tenant is considered self-employed; he qualifies for Social Security coverage if his net earnings are at least $400 a year. The share you receive as landowner, however, is considered rentals from real estate. You pay no Social Security taxes on it; neither does it give you any credits toward a Government old-age pension.

Note, though, other rules hold if the arrangement is a legal partnership, or if it calls for payment of a set amount rather than a share of the crop.

WATERING LAWNS. The Department of Agriculture cites a formula for figuring how long to water your lawn to equal an inch of rain--which is enough moisture to keep grass going for as long as two weeks. Count the seconds it takes your hose to fill a 10-quart pail. Multiply by the number of square feet in your lawn, then divide by 240. That, in minutes, will be how long you will have to water. It is better to give your lawn infrequent, thorough soakings, the Department says. Frequent, light sprinklings encourage shallow-rooted weeds.

WATERFOWL. Looks as if there is to be good shooting next autumn for duck hunters. The Fish and Wildlife Service reports that breeding-duck populations in Canadian Prairie Provinces are the highest in years. Early migration, a wet spring, and delayed plowing by farmers have made nesting conditions for both ducks and geese unusually favorable, the Service says.

WEATHER. Little break in the hotter-than-usual weather plaguing the East and Midwest is foreseen in these maps based on the Weather Bureau's outlook:



Electronic computers

for guiding or intercepting

INSTRUMENTATION
Aircraft and Navigation

CONTROL SYSTEMS
Airborne and Shipborne

COMMUNICATIONS
Equipment

COMPONENTS
Electronic and Magnetic

ELECTRONIC COMPUTERS
Commercial and Military

Burroughs is actively engaged in defense projects in all these fields. Burroughs, through its extensive facilities, is equipped to perform the complete cycle of work—from analytic and study phases, and the development of original concepts and design ideas, through large volume production and testing. Address inquiries to Burroughs Corporation, Detroit 32, Michigan.

Burroughs

Known world-wide for outstanding, high-speed accounting, statistical and computing machines, Burroughs also occupies a strategic position in the advanced field of electronic computers and data processing equipment.

"SUPER-MARKET" STOCKS . . ."FIRE-ENGINE" SERVICE

Steel ready and waiting *in stock*, like foods stacked for the super-market shopper . . .

Service that rivals the response of your local fire department to an alarm . . .

That's the combination offered by J&L warehouses to users of steel. This helps steel buyers keep production lines moving, reduces their inventory and handling costs, saves space, and provides steel for emergency repairs to equipment.

Steels of various kinds, sizes and shapes are as near to you as your telephone in the 13 cities where J&L Steel Warehouses are located.

And you'll find the people at our warehouses eager to fill your needs for steel with that "fire-engine" type of service.

J&L STEEL

Jones & Laughlin
STEEL CORPORATION — *Pittsburgh*

WAREHOUSES IN THESE CITIES: Chicago; Cincinnati; Cleveland (Hamilton Steel Warehouse); Detroit; Hammond and Indianapolis (W. J. Holliday & Co. Division); Lancaster; Louisville; Memphis; Nashville; New Orleans; New York City; Pittsburgh.

PLUS & MINUS
Latest Indicators of Business Activity

Optimism of businessmen, investors and the general public continues to grow as rising business activity sets in motion a record flow of incomes.

Stock prices spurted to a record high on July 6 after a steady advance of seven weeks, then sold off rather sharply on July 7. Yet, after the reaction, the Dow-Jones industrial average was still 19 per cent above the 1955 low.

The average yield on industrial stocks sank to 3.70 per cent in the week ended July 1, lowest since 1946 and barely half of the yield at the post-war peak in May, 1949.

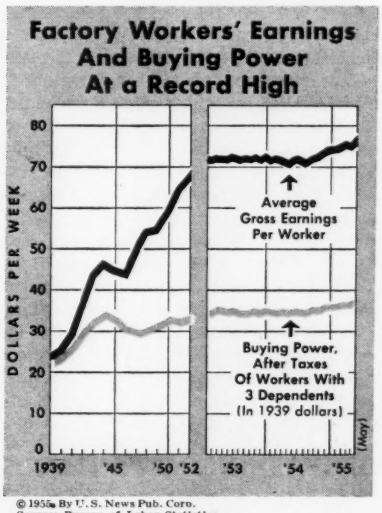
Interest rates are stiffening as demand for capital increases. The latest Treasury borrowing rate on 90-day bills was 1.54 per cent, highest since early in May. The yield on high-grade municipal bonds increased to 2.55 per cent in the week ended June 29, highest since January, 1954.

The spread between stock and bond yields is steadily closing. Industrial stocks, at their yield of 3.70 per cent, now return only 0.65 of a percentage point more than best-quality corporation bonds, the yield on which is 3.05 per cent. This is the smallest spread for any year since 1936.

Measurement of the total rise in the bull market that began in June, 1949, shows prices now are 2.7 times prices at the start of the advance. By May 1, 1955, the market value of all stocks listed on the New York Stock Exchange had risen to 182.8 billions, compared with 63.9 billions in June, 1949.

A selective market has developed in recent weeks. In the last two weeks of June, auto and steel shares rose 5 per cent as these industries settled wage demands of their workers without crippling strikes. Losses of from 2 to 4 per cent were suffered by shares of machinery, aircraft, auto-parts and other metal-working industries.

Fear of investors, evidently, has been that profit margins in metal-working industries would be squeezed by higher prices now charged for steel and other metals and by the spreading round of wage increases.



© 1955, By U. S. News Pub. Corp.
Source: Bureau of Labor Statistics

Profits of corporations for the second quarter will show sizable gains over the first quarter. Manufacturers' shipments in May, seasonally adjusted, were 6 per cent above the first-quarter average. Railroads, reporting for May, showed profits more than double those of May, 1954.

Consumers, meanwhile, are drawing record incomes and spending them freely. Weekly earnings of factory workers, shown in the top chart, are at a new high in dollars. Living costs are stable, so the workers' take-home pay will buy more than ever before.

Autos and household goods still have a powerful sales appeal. Auto sales in June were well above the high rate of June, 1954. At department stores, June sales of rugs, furniture, appliances were substantially above a year ago. Retailers sold 35 per cent more TV sets in May than in May, 1954. Furniture stores report May sales 7 per cent above the same months in 1954.

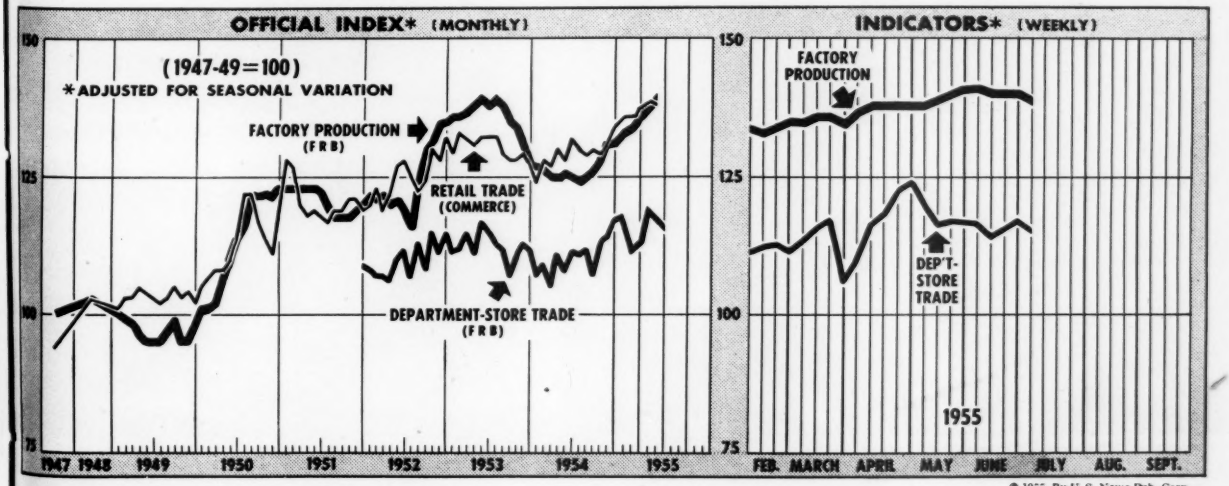
Consumer credit continues to lift sales.

Loans to consumers, at banks reporting weekly, rose 114 millions in the week ended June 29, the largest increase this year.

Installment credit was extended in May at a rate of more than 37 billions per year, up a third from May, 1954. Auto credit was up by a half. On furniture, appliances and other goods, credit was up a fifth.

Manufacturers' inventory of appliances, kept down by strong retail demand, was 15 per cent below a year ago on June 1. In May, manufacturers' shipments of appliances were 25 per cent greater than in May, 1954.

Main concern of Government officials a year ago was maintaining public confidence in spite of the business recession. From now on, the problem is to keep the public on guard against an excess of confidence.



© 1955, By U. S. News Pub. Corp.

A UNION THAT STRUCK IT RICH

Teamsters Get Inch-Thick Carpet, Penthouse

No more back-street meetings for the Teamsters Union; it now has a marble-and-glass "dream house" in Washington with inch-thick carpets and a penthouse view of the U. S. Capitol.

What's more, the union paid cash and has plenty left in the till.

The "union hall" isn't what it used to be in the old days when a group of shirt-sleeved workers met upstairs over the poolroom—on a back street—and passed the hat to pay the hall rent.

Unions now are on a par with business enterprises, and one of them proved it again last week when it opened an office building in Washington that will stand up against anything industry has for its modern lines, its marble exterior, its wall-to-wall carpeting, its floor-to-ceiling paneling, its lounges, its penthouse and its efficient equipment.

The building is the new national headquarters of the AFL Teamsters, Chauffeurs, Warehousemen & Helpers of America—one of the country's largest unions, claiming 1.4 million members.

No mortgage. The building, officials said, is costing about 5 million dollars, including land and equipment. The union didn't need to get a mortgage to finance the project. Officials explained that most of the cost was paid as the construction work progressed during the last two years.

And the Teamsters' national treasury still has 35 millions in assets, according to union spokesmen. The Teamsters is one of the nation's wealthiest unions, since the 35-millions figure does not include the sums that are in the hands of the affiliated local unions, nor does it include millions of dollars in welfare funds controlled by Teamsters officials.

The Teamsters Union is headed by Dave Beck, who took office in 1952. Soon after becoming president, Mr. Beck moved the union headquarters from Indianapolis because he thought labor should keep an eye on Congress—and he now literally can do just that from his spacious office, with its picture-postcard view of the Capitol just across a green park.

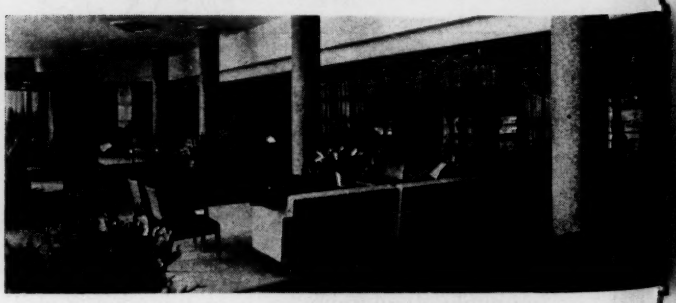
Modern décor. Mr. Beck personally planned many of the features of the building. He insisted that it have the most modern of everything, including the latest wide screen for movies in its 500-seat auditorium.

An interior-decorating firm was retained to see that everything was done to provide furnishings of the most efficient design, in the proper décor. The carpeting is an inch thick, of highest quality. It runs from wall to wall in the

FOR THE TEAMSTERS: ONE OF WASHINGTON'S HANDSOMEST OFFICE BUILDINGS

DAVE BECK POSES AT WINDOW

THE UNION'S 5-MILLION-DOLLAR BUILDING



THE SPACIOUS, MODERN FOYER

corridors and all the offices. For Mr. Beck's suite of offices, the carpeting is described as "warm gray." Others are in green or gun-metal shades.

There are original oil paintings on the walls, as well as reproductions and prints. The offices have paneled walls of walnut, mahogany or oak, with desks to match. Windows in many offices run from floor to ceiling, affording union officials and their staffs an unobstructed scenic outlook.

Marble halls. Corridor walls throughout the building are marble. The exterior of the four-story building is of Georgia marble, with a huge "picture window" effect created by projecting the second and third floors out beyond the rest of the structure. These floors, at the front of the building, consist entirely of blue-tinted glass, which is heat-resisting. The glass walls are set in bronze frames supported on large columns of white marble.

Imported marble lines three sides of the entrance lobby, with a huge glass wall for the front. Columns are faced with Venetian-glass-tile mosiac. Plants grow in marble boxes. The Teamsters Building apparently will outshine even the headquarters of the American Federation of Labor, being built near the White House.

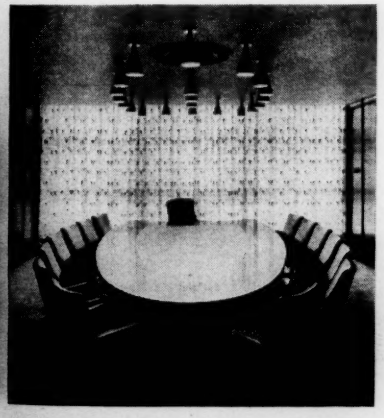
Upstairs in the Teamsters Building, Mr. Beck's suite includes a bedroom and bath—so that he can reside there, if he wishes, on his visits to Washington. Mr. Beck has kept his home in Seattle, where he got his start as a Teamsters official and where he has extensive business holdings of his own.

Unique furniture. Mr. Beck's desk in this suite was designed especially for him. It is 9 feet long, of modern style, with a built-in "wing" at a slightly lower level. The desk is of mahogany. When Mr. Beck confers with his executive board, or with visiting groups, he will sit at a special table in a nearby conference room. This table is spade-shaped, with a leather top inset in the mahogany.

A representative of the decorating firm explained that this table is unique, that "no one else has one of this particular shape." In size, however, it is dwarfed by one in another conference room—a table 24 feet long and with space to spare for easy chairs and divans. The decorating firm said this table is the "second-largest in the country, exceeded in length only by one in a New York office." Thirty persons can sit around the Teamsters' big table.

The penthouse, with adjoining terrace, is to be used by employes of the building, and probably as a place for Mr. Beck to entertain Congressmen or visiting labor groups. He also can preside over dinners in the private dining room on a lower floor, where a French chef pre-

(Continued on page 100)



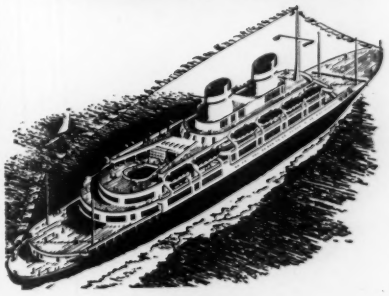
CONFERENCE ROOM IS PANELED

OFFICES ARE CARPETED

—USN&WR, Ransdell, Inc., United Press photos

THE PENTHOUSE LOUNGE

Your business trip to **EUROPE**



can be a

SUNLANE CRUISE!

You can step aboard the great *Independence* or *Constitution*, make the complete round trip in as few as 20 days, with time ashore at 4, 5 or 6 colorful Mediterranean ports . . . or leave the ship for an extended stay ashore and return on a later sailing! The cost? As little as $670 round trip First Class, $520 round trip Cabin Class!

Sailings from New York Sept. 22, Oct. 5, 15 and 27, Nov. 8, 18, 30 and Dec. 10. Each cruise 20 days round trip from New York with time ashore at ports like Cannes on the French Riviera, Gibraltar (shoppers' paradise), Genoa on the Italian Riviera, Naples, Lisbon, Barcelona, Algeciras, the Azores and Palermo (ports depend on cruise chosen).

Connections to all parts of Europe —Paris, Frankfurt, Munich, London, Zurich, Vienna, to name a few—are fast and convenient. *Le Mistral*, one of the crack express trains from Cannes to Paris, can whisk you from the glamorous *Cote d'Azur* to the capital overnight.

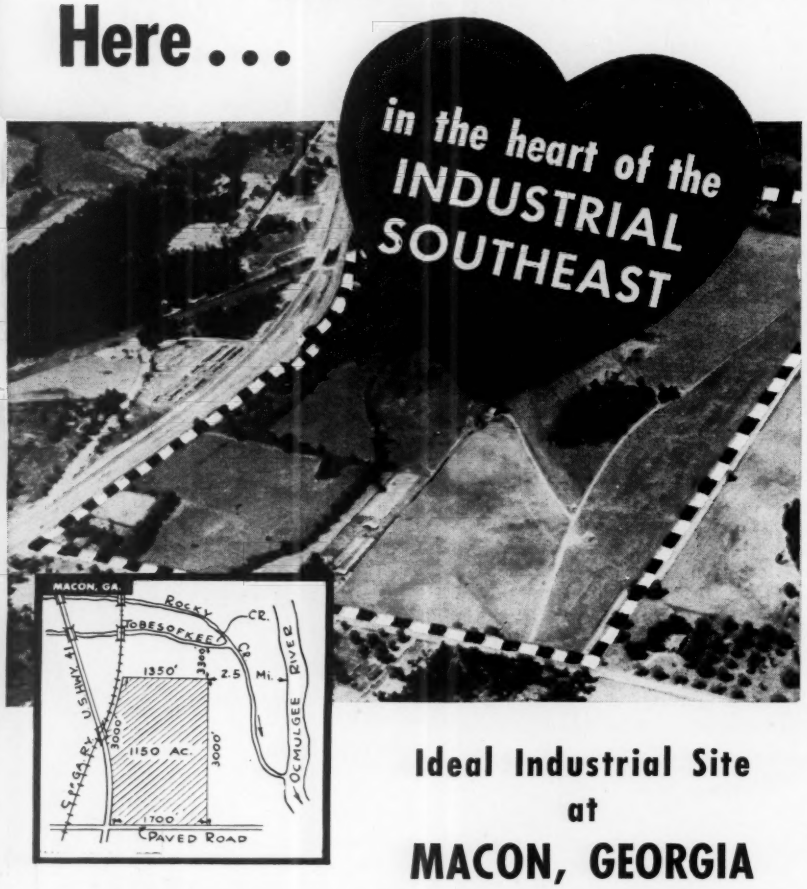
You can take the family; let them enjoy the Riviera while you conduct your business . . . or let them enjoy the cruise and cruise ports till you rejoin the ship!

For complete details, see your Travel Agent or

AMERICAN EXPORT LINES

39 Broadway, New York 6, N. Y.

Build Your New Plant Here...



Ideal Industrial Site at MACON, GEORGIA

offers these exceptional advantages:

- 1,150 level acres located 3.5 miles south of city limits of Macon.
- 3,300 feet from Tobesofkee Creek which flows into Ocmulgee River.
- Ample underground water supply.
- Ideal location in heart of Southeastern industrial and consumer markets.
- Fast, dependable freight service to all markets via Central of Georgia Railway. All-diesel freight service daily between principal communities of the Southeast, connecting with 15 major railroads, and with Seatrain at Port of Savannah.
- 2,000 foot frontage on U. S. Highway 41.
- Population within 25-mile radius of 161,860.

Centrally located in the nation's newest market of 22 million people, this large, level site at Macon is adaptable to almost any type of industrial plant. Build *your* new plant next door to some of America's great industries, who already operate thriving plants in the Macon area. Write, call or wire today for complete details and maps. Central of Georgia Railway Industrial Development Department will handle your inquiry promptly and in strict confidence.

FREE—Get your copy of our 32-page brochure showing this and other highly desirable industrial sites, many located on large rivers.

INDUSTRIAL DEVELOPMENT DEPARTMENT
CENTRAL OF GEORGIA RAILWAY
Department A
501 Rhodes-Haverty Building • Atlanta 3, Ga.

...The Right Way

CENTRAL OF GEORGIA RAILWAY

. . . Teamsters' elevators run without operators

pares lunches for the employes and officials of the union.

Piped-in music. About 200 people will be working in the building when all of the offices are occupied. Music is "piped" to many of the offices so that stenographers can type to the latest hit tunes.

"Automation"—which is a cuss word for many unions—has reared its head, too. Elevators for the building are of the latest design; they work automatically—without operators.

Red-Led Unions Under New Fire

The Eisenhower Administration is about to find out whether a 1954 law will provide a powerful new weapon to use against Communist-dominated unions.

A new crackdown on left-wing unions was announced last week by William F. Tompkins, Assistant Attorney General, in a speech at Houston, Tex. He reported that a test case will be filed "in the near future" against one of the suspect unions, without naming it.

The procedure being invoked for the first time against a union was provided for in a 1954 amendment to the Internal Security Act of 1950. Under this machinery, a petition is filed by the Justice Department accusing a union of being "infiltrated" by Communists. It asks the Subversive Activities Control Board to hold hearings and decide whether the union has aided Communist causes or is under the rule of Communists.

If the Control Board makes a finding that there is Communist infiltration, the union is barred from using the National Labor Relations Board to get employe elections or bring charges against employers. The theory is that a union probably can be driven out of business if this step is reached. Or the members may be influenced to switch allegiance to another union.

Some lawyers, however, believe that union leaders can tie up such a case for several years, through the hearings and court action.

Several unions that were ousted from the CIO on charges of Communist influences have been attempting to affiliate with AFL unions, apparently in an effort to avoid the sort of action being started by the Justice Department. AFL officials, however, have told their unions not to accept left-wingers.

Trend of American Business®

24th and N Streets, N.W.
Washington, D. C.

Government officials are beginning to get uneasy about the boom.

A rather tight rein is being held by Federal Reserve authorities on the credit supply. That policy has been evident for some months.

Credit demand, however, is about to expand seasonally. The "Fed" usually eases up on credit at this time, but shows few signs of doing so now.

Treasury, meanwhile, is trying to side-step commercial banks in borrowing.

It's perhaps well to recall at this time that some weeks ago Arthur Burns, the President's economic adviser, warned that the time to curb a runaway boom is before excesses develop. That's getting serious inside attention.

Reserve position of banks that are members of the Federal Reserve System now is rather tight. Reserves provide the base for extending bank loans.

Excess reserves for the week ended July 6 averaged 517 millions.

Member-bank borrowings for the same week averaged 635 million dollars.

Commercial banks, in other words, were having to borrow from the Federal Reserve Banks to get the reserves they needed. There were no "free reserves." The tendency, in such a situation, is for banks to be less ready to make loans.

It's likely in months ahead that the "Fed" will supply additional credit to meet business demand. But officials are not going to be too generous. The policy is to prevent "easy money" from further stimulating the boom.

Treasury financing plans go hand in hand with this policy.

Total borrowing this month is to come to 2.75 billions. That's added to the 100 millions being raised each week through 90-day Treasury bills.

Additional bonds being issued amount to 750 millions. These are more of the 3 per cent, 40-year bonds first offered last February.

Tax-anticipation certificates, at 1⅞ per cent, will raise 2 billions. These certificates can be used to pay income and profits taxes next March 15.

Treasury idea is that the bonds will be sold mainly to such investors as insurance companies, pension funds, savings banks, other savings institutions. The certificates are expected to be bought largely by corporations.

Purpose of this plan is to raise money outside of banks. Raising money in this manner will not add to the money supply by increasing bank deposits.

However, you probably can count on banks' taking some of these issues. They are likely to prove attractive as investments.

Nevertheless, over the past year, commercial banks have been selling their Government securities. The Federal Reserve statement for June 29 on banks reporting weekly shows Government holdings down 1.7 billions since a year ago. Banks have sold their securities in order to expand their business loans.

(over)

In coming months, you can count on two additional boosts to the boom.

Inventory buying by business firms seems certain to increase.

Outlay for new plant and equipment also is to continue to rise.

Together, these types of spending add to total demand for the products of industry. They are in addition to the demands of governments and individuals.

Inventory building already has begun. Total business inventories rose from 77.7 billions in April to 78.3 billions in May--a gain of 600 millions.

Stocks of goods were increased at all levels, factory, wholesale, retail. The figures are reported by Commerce Department on a seasonally adjusted basis.

Inventories, however, are not as high as a year ago. In fact they are 600 millons smaller--another sign that more restocking lies ahead.

Business sales, on the other hand, are up sharply from a year ago.

Total sales in May are reported at 51.6 billions. In May, 1954, total sales came to 46.1 billions. So there has been a gain of 5.5 billions.

The fact that sales are rising while inventories are down from a year ago is another strong reason for expecting inventories to go higher in months ahead. Business has to carry larger stocks when customer demand is high.

Actually, inventories are lower in relation to sales than at any time since 1951--another reason for expecting stocks on shelves to increase. At the end of May, inventories amounted to 1.5 months' sales. The ratio a year ago was 1.7. It got as high as 1.74 in January, 1954.

A midyear appraisal of the Commerce Department points to a record year for business. High activity in the next six months is forecast.

Commerce forecast comes from a survey of 400 manufacturing industries by that Department's Business and Defense Services Administration.

The midyear survey shows that manufacturers have raised their sights all along the line since a similar survey was made at the start of the year.

Here, in more detail, is what the Commerce Department expects:

Steel. Some slowdown from the record first half, but still very high.

Autos. A drop in months just ahead, but a pickup late in the year.

Copper products. Second half will top the 1954 period by 20 per cent.

Aluminum. Continued high production in the coming six months.

Aircraft. Civilian production up 30 per cent for the year. Military output will step up, assuring high employment in the industry.

Shipbuilding. A mild boom in the small-boat industry. Poor for big ships.

Freight cars. A sharp step-up in orders in the next three months.

Electrical equipment. Better outlook than at any time in last 18 months.

Electronics. "Sweeping" price cuts will boom sales of color TV.

Office equipment. Gains of 10 to 15 per cent over 1954.

Furniture, appliances. Second half equally as good as the first half.

Machine tools. Smaller shipments in 1955, but a rise in 1956.

Farm tractors. An increase of 10 per cent in the second half.

You can see from these samplings that the business outlook is bright for nearly every segment of industry. Most industries count on second-half gains.

add ...the busy stockbroker's office to businesses everywhere that use the Remington Rand Electric Adding Machine. The 10-key touch control board saves time, and this machine subtracts, multiplies and gives automatic totals.

add ...the clever architect to the many professional people who enjoy *cushioned power* on this adding machine. It operates with less noise ...allows accurate figuring and "thinking" in a quiet atmosphere.

add ...the versatile showman to the other business operators that "count the house" using this machine and get a permanent record of their figures on 2-color tape.

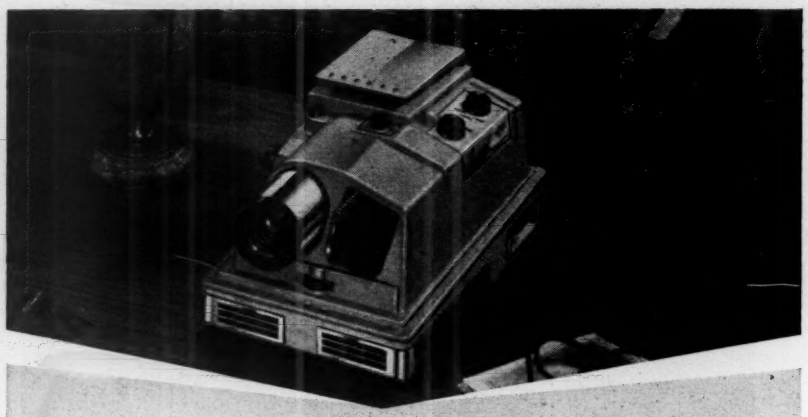
add ...YOURSELF to the total of men and women in so many different fields who have found an adding machine that more than adds up to their expectations!

in addition...

there is no better adding machine than the Remington Rand all-electric!

Remington Rand

DIVISION OF SPERRY RAND CORPORATION



New! Self-operating Slide Projector

Set it . . . forget it . . . operates all by itself!

Sit with your guests, walk around the room, Revere "888" shows 36 35mm slides of any type mounts all by itself. Automatically fades them in and out and returns them to the magazine in ready-to-show sequence! Function knob for slow, medium, fast, semi-automatic or manual operation. Projects single frame views from 3-D slides. Powerful 500-watt illumination. F/3.5 Wocoted 5-inch anastigmat WOLLENSAK lens. 20 exclusive features! Smart linen covered case. . . . **$119.50**

Revere "888"

35mm Robot Slide Projector

REVERE CAMERA COMPANY • CHICAGO 16, ILL.

HOW $6 STARTED ME ON THE ROAD TO $10,000 A YEAR

By a Wall Street Journal Subscriber

"Not long ago I picked up The Wall Street Journal in a railroad club car. I was amazed. I expected dull reading. Instead I found some of the best articles I ever read.

"I sent $6 for a trial subscription. For the first time in my life I understand why some men get ahead while others stay behind. The reports in The Journal come to me DAILY. I get quick warning of any new trend affecting my income. I get the facts in time to protect my interest or make a profit. The Journal started me on the road to $10,000 a year."

This story is typical. The Journal is a wonderful aid to men making $7000 to $20,000 a year. To assure speedy delivery to you anywhere in U. S., The Journal is printed daily in four cities—New York, Chicago, Dallas and San Francisco.

The Wall Street Journal has the largest staff of writers on business and finance. It costs $20 a year, but in order to acquaint you with The Journal, we make this offer: You can get a Trial Subscription for 3 months for $6. Just send this ad with check for $6. Or tell us to bill you. Address: The Wall Street Journal, 44 Broad St., New York 4, N. Y. US7-15

Serve The Great Champagne of France **MOËT**

SCHIEFFELIN & CO., NEW YORK

SAVE BY MAIL

4% CURRENT RATE

FEDERAL HOME LOAN BANK SYSTEM

EARN 4% ON OUR PREPAID SAVINGS CERTIFICATES

● One of Chicago's Oldest and Largest Savings Associations. Under State Government Supervision. Member Federal Home Loan Bank System. Send check or write for our Free Financial Booklet. Accounts opened by 15th earn from the first.

CITY SAVINGS ASSOCIATION

Savings Department 100
1656 West Chicago Avenue
Chicago 22, Illinois

ASSETS OVER $28 MILLION . . .

NEWS-LINES

WHAT YOU AS A BUSINESSMAN ☑ CAN and ☒ CANNOT DO

as a result of recent court and administrative decisions

☑ **YOU CAN,** as an employer, give your views on a ***representation election*** in individual talks with your employes, so long as you avoid any threats, promises or other actions that might be construed as interfering with your employes' freedom of choice. National Labor Relations Board, overruling its regional director, holds in favor of an employer, noting that his interviews with his workers took place at their work benches, were of only three minutes' duration and contained no threats or promises of benefits.

* * *

☑ **YOU CAN** now export aluminum, copper, nickel and cobalt materials without having to submit an additional copy of the shipper's ***export declaration.*** The Bureau of Foreign Commerce says this relaxation of the rules is possible because, in the case of these particular materials, the extra copies no longer are needed for obtaining preliminary export statistics.

* * *

☑ **YOU CAN,** as an occasional lecturer, avoid the self-employment tax on your fees if your speaking activities are incidental to your work and not primarily for money-making purposes. Internal Revenue Service says, however, that if you seek such speaking engagements for a fee and fill them with "reasonable regularity," then those activities constitute a trade or business and make the resulting fees subject to the self-employment tax.

* * *

☑ **YOU CAN,** as a member of the ***beet industry,*** operate according to new standards just set up for beets. The Department of Agriculture says the revised standards will meet the industry's needs more effectively. The Department also announces revised standards for turnips and rutabagas.

* * *

☑ **YOU CAN,** as an employer, count as "agricultural laborers" excluded from coverage of the Taft-Hartley Act your employes whose main job is to handle greenhouse and nursery operations, even though those employes devote a small part of their time to nonagricultural duties. NLRB holds that where a

greenhouse and nursery produce marketable horticultural products, such employes are not covered by the Act.

* * *

☑ **YOU CAN** fire an employe for a valid cause, even if there exist other, unlawful motives that might prompt dismissal. A federal court holds that an employer who had "cause" under a union contract for firing a union steward cannot be found guilty of an unfair labor practice in discharging the worker, even though the worker had antagonized the employer by aggressive union activities.

* * *

☒ **YOU CANNOT,** as a meat packer, continue to pay the old rates for ***meat grading and poultry inspection.*** The Department of Agriculture announces new charge schedules, effective July 15 for meat grading and August 1 for poultry inspection.

* * *

☒ **YOU CANNOT** continue to import ***rye and alsike-clover seed*** freely. Acting on Tariff Commission recommendations, the President orders quota limits imposed on those two commodities, for a two-year period starting July 1.

* * *

☒ **YOU CANNOT,** in moving a factory from one location to another, be sure that a union contract in the original location will prevent an ***employe election*** in the new location. NLRB holds that an existing contract does not bar an election among employes at the new location, since the contracting union disclaims any interest in representing the employes at the new plant.

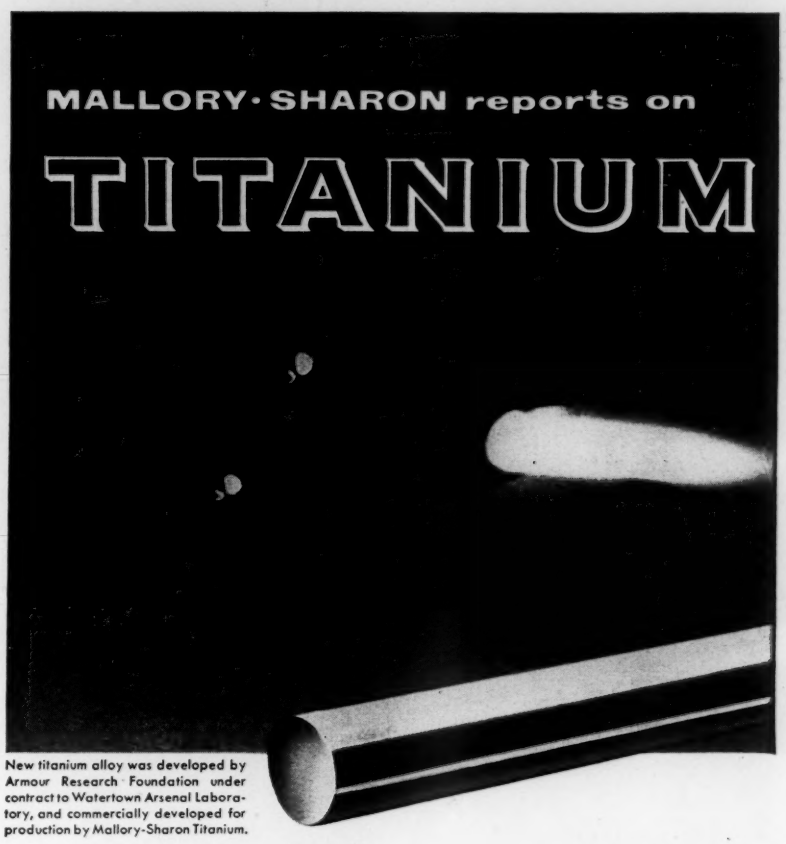
* * *

☒ **YOU CANNOT,** as a brewer, advertise the calorie content of your beer. Internal Revenue Service broadens its restrictions on ***beer advertisements*** emphasizing nonfattening properties, prohibits all references to calorie content and to nonfattening qualities.

* * *

☒ **YOU CANNOT,** as owner of a ***television station*** affiliated with a network, contract with the network to prevent a station located in an adjacent community from broadcasting any of the network's programs. Federal Communications Commission makes this prohibition effective August 1.

Conclusions expressed in these paragraphs are based upon decisions and rulings of courts and Government bureaus. In making their decisions, courts and bureaus consider many facts which, for reasons of space, cannot be set forth in detail. U. S. NEWS & WORLD REPORT, *on written request, will refer interested readers to sources of this basic material.*



New titanium alloy was developed by Armour Research Foundation under contract to Watertown Arsenal Laboratory, and commercially developed for production by Mallory-Sharon Titanium.

HOT PERFORMANCE

titanium alloy is born

AIRCRAFT designers judging a metal don't just ask, "how light and how strong?" . . . but, "how light, how strong, at how high a temperature?" A glance at a streaking jet tells you why.

Thus, Mallory-Sharon's commercial development and production of a truly high temperature titanium alloy is so important. Called MST 6Al-4V, this alloy "stays put" at elevated temperatures. It has minimum "creep",—the metallurgists' term for stretch under load when hot. Working temperatures don't change its properties, or cause brittleness.

Designers have long been waiting for a lightweight metal with this *hot performance*—thus it's destined for wide use in airframes and jet engines, and similar tough applications. It's now in large-scale production by Mallory-Sharon, leading producer of a full range of titanium and titanium alloy mill products. Use our experience for your applications of lightweight titanium.

Mallory-Sharon Titanium Corporation, Niles, Ohio.

MALLORY Ti SHARON

IT'LL BE HARDER TO GET A LOAN

Bankers Predict Tougher Terms, Higher Interest

If your recent request for a loan met with a less-than-enthusiastic response, you're in company with many others.

All over the country, a new survey shows, bankers are finding it necessary to be a bit less free with their depositors' money.

The reason: Government is squeezing the credit supply to curb a boom.

Money, for borrowing, is getting scarcer around the country and, very gradually, it's costing more in interest payments. Loans are going only to those with good credit standings, and terms are more to the liking of lenders than borrowers.

That is the picture offered by a survey *U. S. News & World Report* made of bankers in the last few days. In the survey, telegraphic reports were received from lenders all over the country. In addition, staff members interviewed bankers at widely separated points.

In some cities, the survey reveals, people still are met with a broad smile when they ask about the chance for a loan. In most, however, they find bankers more businesslike, a bit more inclined to check the applicant's credit standing, his equity in the transaction and the time he needs to repay.

Most bankers report that they are making loans more "selectively" and ruling out more applicants. And, even for those who do not, there usually is the note that slightly higher interest rates are charged—to business customers at least.

If bankers are right, you can look for even tighter credit and higher interest rates in the months ahead.

The reasons for all this, bankers say, are obvious. With business good and incomes high, just about everybody wants a loan for something—to build or buy a home, to add to an older house, to buy a new car or piece of home equipment, to build up inventories for sales to come, or to expand and modernize a factory, a store or a hotel. Governments, too—federal, State and local—are borrowing heavily.

If all these demands for credit were satisfied, bankers know, new spending could send the U. S. economy into another round of price inflation. So Government, with all but unlimited power over money, is turning the screw on the credit vise, making loans harder to get and more expensive. The prospect, it's felt, is for generally rising interest rates.

The picture, however, is spotty. In some places, the tighter-money policy is scarcely felt yet. In a few areas, bankers expect money to remain fairly easy. But these are exceptional cases.

West Coast. With some exceptions, credit is getting much tighter along the Pacific Coast.

The vice president of a San Francisco bank reports a growing scarcity of lending money. "Loans," he reports, "are peaking up all over the country, including California. Loan totals are getting to the point of about 45 to 50 per cent of total deposits. That's approaching the top we and most other banks are ready to accept."

Result, for this bank, is a tighter loan policy. "We're becoming more selective. We're getting tougher on our own installment loans by eliminating border cases that we might have accepted before. And we're reducing our loan solicitations to dealers on installment and automobile credit—this means gradually these dealers will be doing less selling."

As to tightening up on housing credit, he reports, "We're doing it, definitely. The demand for real estate loans is so big we could lend all our resources on that field alone, if we wanted to. We could cut real estate loans further by raising the interest rate, or by demanding bigger down payments or reducing the repayment period. But that would make us less competitive and we haven't done it yet."

Another San Francisco banker notes: "Mortgage money is quite tight, and money for other loans is getting tighter. We're not anxious to put our dollars out beyond what we're now doing. We'll take care of our present customers, and we can take some new customers, but we're not taking anything that isn't a profitable and long-term relationship for us."

The West Coast representative of a Chicago bank says: "Money's getting so tight it squeaks. It's tighter than it was two years ago when everybody was complaining."

Despite all this, San Francisco bankers foresee little if any rise in interest rates. "The New York papers are pre-

(Continued on page 108)

—USN&WR Photo

BANKER AND LOAN APPLICANT
"We are being more selective"

FACE AMOUNT CERTIFICATE COMPANY

Investors **SYNDICATE OF AMERICA, INC.** A face amount certificate company issuing installment certificates having 6, 10, 15 and 20 year maturity values and single payment face amount certificates.

MUTUAL FUNDS

Investors **MUTUAL, INC.** An open-end management type mutual fund diversifying its investments among common stocks, preferred stocks and bonds.

Investors **STOCK FUND, INC.** An open-end management type mutual fund diversifying its investments among common stocks and other equity securities.

Investors **SELECTIVE FUND, INC.** An open-end management type mutual fund diversifying its investments among bonds, preferred stocks, and other senior securities.

Investors **GROUP CANADIAN FUND LTD.** A Canadian open-end management type *mutual fund* with objectives of participating in the development of the resources of Canada through *diversified investments* principally in common stocks of Canadian enterprises, and obtaining for its shareholders certain *tax advantages* under Canadian Law.

★

This is not an offer to sell these securities. They are subject to the registration and prospectus requirements of the Federal Securities Act and to qualification requirements of the various states. Information about the issuer, the securities and the circumstances of the offering is contained in the prospectus which must be given to the buyer.

Prospectuses relating to the shares of capital stock or certificates of the above companies may be obtained from the national distributor and investment manager by sending your name and address to:

INVESTORS DIVERSIFIED SERVICES, INC., DEPT. 871, INVESTORS BUILDING, 8th & Marquette, Minneapolis 2, Minn.

CHICAGO'S NEWEST OFFICE BUILDING

"In the Prudential Building, all our offices will be on one floor for the first time"

says
C. C. Jarchow,
President,
American Steel Foundries*

"Good service to our customers depends on a close working relationship between Engineering, Manufacturing, Sales and Finance. With all these operations located on one floor of the new Prudential Building, we will work together more efficiently in a layout 'tailored' to our needs."

for your Chicago offices—

Aside from the beauty, convenience and prestige of offices in the Prudential Building, many economies are also possible through elimination of radiators and other construction features. Let us make a study for you.

*American Steel Foundries, world's largest producers of cast steel, has a fine record of growth dating back to 1902. Today, ASF stands for diversified manufacturing operations such as steel castings and other products for railroads; roller chains, machine tools, forgings and steel castings for industrial use.

L. J. SHERIDAN & CO.
RENTAL AGENTS
111 West Washington St.,
Chicago 2, Illinois
RAndolph 6-7743

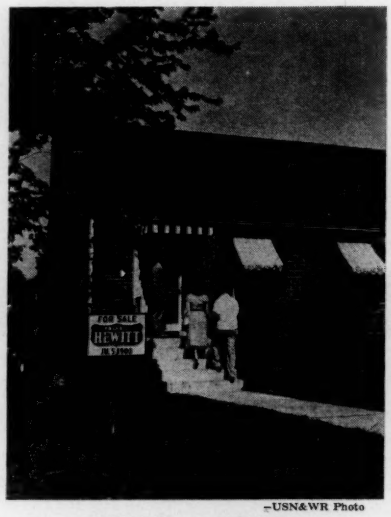
The
PRUDENTIAL
INSURANCE COMPANY OF AMERICA
1875 · Protecting the Family · 1955
MID-AMERICA HOME OFFICE
Chicago, Illinois

. . . Loan priorities go to bank's regular customers

dicting it," one notes, "but I can't see it here. What they do in New York doesn't necessarily follow in California."

A Los Angeles banker sees no "serious" tightening of money in his area so far. He adds: "Banks here continue to take care of requirements of customers on a constructive but selective basis—loans made only to customers or good prospective customers with account relationship. Banks here would now scrutinize any loan requested for purchasing or carrying inventories."

At some other Western points—in San Rafael, Calif., and Seattle, for ex-



—USN&WR Photo

BUYING A HOUSE
"Mortgage money is quite tight"

amples—bankers report credit more ample. At those two points, responses to the survey indicate no anticipation of higher interest rates in the future.

Central Plains. In at least some Midwest areas, meanwhile, credit stringency is increasingly apparent.

A Kansas City banker reports "loan demand heavy" and "rates firming." He says: "Tightening tendencies are appearing along all credit lines."

Delinquency on personal loans, he notes, "has not increased," but he adds significantly that "a great deal of effort is being made to keep accounts current."

And from Cedar Rapids:

"Yes, money is much tighter generally in this area than January 1 or a year ago." There is an "ample supply to care for legitimate requirements of business, installment buyers and house buyers." But this banker adds, "Lenders probably

(Continued on page 109)

SAVE BY MAIL

EARN 4% Current Rate
ON PAID-UP SAVINGS ACCOUNTS

An ideal investment for thrifty people, business men, corporations, and insurance companies. Accounts must be opened in multiples of $100...up to $10,000. Mail check or send for facts. Accounts opened by 15th of month earn from the 1st.

CHICAGO GUARANTEE
SAVINGS ASSOCIATION
Savings Dept. 80
3223 N. ASHLAND AVE.
CHICAGO 13, ILLINOIS

UNDER STATE GOVERNMENT SUPERVISION

CHANGES OF ADDRESS
Notice of change of address should be sent not less than two weeks prior to the date change becomes effective. Send the address at which copies are now being received and the new address at which you wish to receive copies.
U. S. News & World Report
Circulation Department
435 Parker Ave., Dayton 1, Ohio

BLACK HILLS of South Dakota

Follow summer's fun to the Black Hills of South Dakota! Golf, fish, visit Mt. Rushmore. Catch the color at rodeos. See the awesome Bad Lands. For the vacation time of your life, come *this* summer to the Black Hills!

WRITE FOR FREE COLOR FOLDER!
SOUTH DAKOTA
STATE HIGHWAY COMMISSION
H. G. Pankow, Publicity Director, Pierre, South Dakota

. . . Midwest banker sees scarcer money ahead

show a general disposition to be more choosy on all advances."

And he expects there may be scarcer money ahead. "Lacking monetary relief by Federal Reserve action, much tighter credit and a resultant hardening of interest rates may be anticipated later this year," he says. This Cedar Rapids banker, however, can't bring himself to believe "that the Fed will permit this situation to develop."

Lake States. Around the Great Lakes and in the Northern Plains area, the situation is widely varied. But almost all bankers see tighter times ahead.

—USN&WR Photo

LOANS FOR APPLIANCES
. . . a trend toward shorter terms

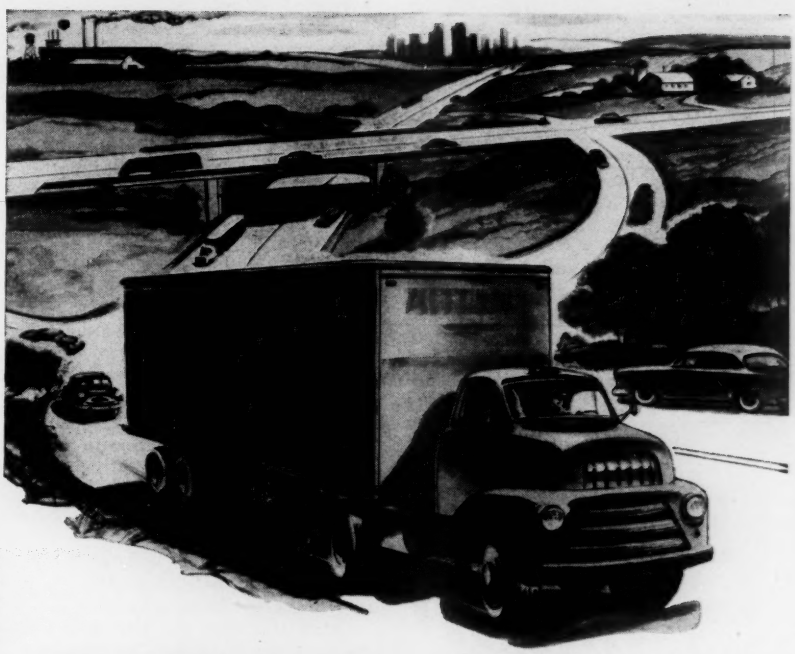
Says the vice president of a St. Paul bank:

"Loan volume is high and there's a prospect of a further increase. Out of necessity, we must be more choosy." He reports "no change in policy as to installment loans and home loans," but adds, "We are opposed to 30-year, no-down-payment loans and have not made them."

As to the future, this banker says: "We do expect the credit situation to tighten up between now and late fall. If the trend continues, we feel fairly sure interest rates will rise."

A Lansing bank president reports "ample money available in the seven up-State Michigan cities where we have banking offices—providing credit is good." He adds: "A definite tendency is developing to tighten up on fringe-type loans and also to increase down-

(Continued on page 110)



It's There Because IT'S NEEDED and So Is Every Truck You See!

Motor Trucks Handle 3 Out Of Every 4 Tons Of Freight That Moves In This Country — That's How Important Trucks Are To Business, To Agriculture, To You And Everyone Else In America!

Since the first motor truck replaced a team of horses in this country a half century ago, the number of commercial vehicles has grown steadily and substantially — and the reason is clear: trucks perform a vital economic service, and they do the job as no other form of transportation can!

Nobody operates a truck for fun — or as a hobby. It's there — at the loading dock, on the highway, in the farmyard — because it's *needed.* And because the need has constantly grown through the years, the number of trucks in service has grown — from 4,513,000 in 1944, for example, to 9,412,000 in 1954.

Business depends on trucks, farmers couldn't get along without trucks, and as for the individual consumer — well, everything he eats, wears, or uses gets to him by truck.

For fast, flexible, economical transportation, there's nothing like the motor truck — servant of *all* the people.

AMERICAN TRUCKING INDUSTRY

American Trucking Associations, Inc., Washington 6, D.C.

If You've Got It . . . A Truck Brought It!

. . . Loan period on cars cut to 30 months in New York

payment requirements and shorten maturities on FHA and GI mortgages."

"If the present trend continues," says the Lansing banker, "credit generally will get somewhat tighter and a slight increase in interest rates is anticipated."

A Milwaukee banker reports that interest rates charged to some business customers are moving up and says: "Checking locally and in the State shows definite attempts to make loans only to customers willing to open accounts."

The president of a South Bend bank sees "no indication in this area that money is getting tighter, except mortgage money." He adds, however: "We anticipate increased demand for loans in the third quarter, which will result in higher interest rates" in some cases.

Northeast. Most lenders in the Northeastern area note these same trends.

From the New York area:

"Money is getting tighter and if the business boom continues during the second half of the year, as it seems likely to do, it will get progressively tighter and interest rates will rise." Banks "are generally tightening up on loans." Loans on new automobiles, formerly up to 36 months, now are being limited to 30 months.

The vice president of a very large New York bank reports: "Demand for bank credit is very active and general opinion is that it will continue so through the rest of the year. There is a current trend toward firming of rates, as the demand for loans rises in the face of a tighter money market. Prospect is that interest rates on commercial loans will firm up gradually and moderately."

Another New York banker says his loan offices are "constantly advising clients to be more conservative in their applications."

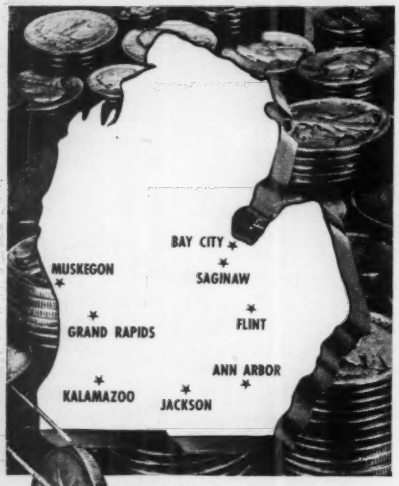
A savings bank reports that home loans made to veterans at 4 per cent last year and other loans made to home buyers now are made at 4½ per cent.

Another banker in the Northeast recalls that "there has been considerable competition for the installment-loan business, and creditors have in recent months been inclined to extend terms too far. Today there is a reversal of that trend."

Most New York banks appear to be wondering how long the "prime rate"—the interest rate to business customers with top credit ratings—will hold at 3 per cent.

Farther South, at Wilmington, Del., a banker says that money is not tight in his immediate area and that his

(Continued on page 111)



BOOTH means *Action* in this 7th largest market!

● Daily, right across the thick middle of this great Michigan market, go 434,819 (A. B. C. Publishers' Statement 9-30-54) home-delivered copies of Booth Newspapers. Your dealers know them well because they concentrate their own advertising in the same papers!

Boost your Michigan sales in '55. Let Booth Newspaper advertising and Booth Dealer Merchandising Service help you. Booth has a story you can profitably merchandise to your trade.

Call a Booth man today!

A. H. Kuch
110 E. 42nd Street
New York 17, N. Y.
Oxford 7-1280

Brice McQuillin
785 Market Street
San Francisco 3, Calif.
Sutter 1-3401

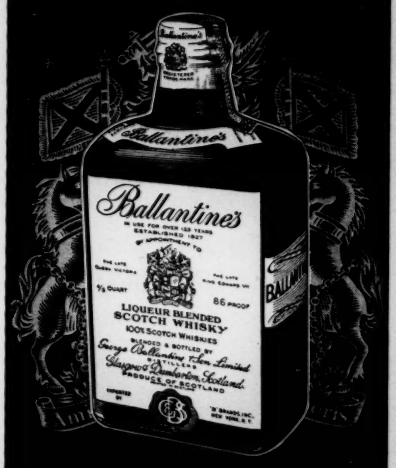
Sheldon B. Newman
435 N. Michigan Ave.
Chicago 11, Illinois
Superior 7-4680

Wm. Shurtliff
601 Ford Bldg.
Detroit 26, Michigan
Woodward 1-0972

8 BOOTH *Michigan* NEWSPAPERS

Grand Rapids Press — Flint Journal
Jackson Citizen Patriot — Saginaw News
Muskegon Chronicle — Bay City Times
Kalamazoo Gazette — Ann Arbor News

Ballantine's
LIQUEUR BLENDED SCOTCH WHISKY



The Crest of Quality

"21" Brands, Inc.

86 PROOF · NEW YORK CITY

Transatlantic Time-Saver!

CARGO COURIER *Service*

Exclusive . . . on Airwork, a cargo expert on every flight for better handling, speedy customs clearance. Confirmed through bookings . . . bulk cargo to 12 tons. Cooperation with other IATA members provides the facilities of daily service to Europe, Africa, the Middle and Far East. Associated with FURNESS WITHY and BLUE STAR Lines.

From NEW YORK • MONTREAL • GANDER

For further information, descriptive folder, bookings: call your Forwarding Agent or

AIRWORK ATLANTIC

75 West Street, New York 6, N. Y. DI 4-5910
315 St. Sacrament Street, Montreal, Canada
Marquette 1223

"Airwork Works for You"

. . . Credit demands rise more rapidly than supply

bank is going along with no change in policy. Yet, he adds: "We expect credit to tighten and interest rates to rise."

South. Southern lenders make it clear that their credit resources are no more ample in relation to demand than are resources in other areas.

A Montgomery, Ala., banker wires: "Loans in this area at all-time high. . . . Some signs of credit tightening to home buyers."

"Interest rates," he reports, "have strengthened, and our policy is to strive for shorter maturities and demand equity on all transactions."

"Credit generally," he believes, "will grow tighter and rates will rise when more of us realize that speculation and inflation have a great influence on our economy now."

And, from a Memphis banker:

"Money increasingly tight, and both old and new loans subject to greater scrutiny than in recent past, with more frequent loan reviews." His bank is giving "preferential treatment to established customers . . . and . . . demanding more equity in transactions with nonestablished customers."

In Gastonia, N. C., a bank vice president reports, "We are trying to restrict our business loans to local needs." And, in installment and construction loans, he says, "we have endeavored to shorten terms somewhat."

"It appears," says this banker, "that credit generally will get tighter and it is likely that there may be some rise in interest rates in this area."

Farther West, in Dallas, however, a banker sees "no indication of tight money where a loan is justified." He continues: "Needs of deserving businessmen, installment buyers and homeowners adequately being taken care of." And he finds "no immediate indication of a rate increase in this area."

And at Oklahoma City, a bank vice president reports only "slight tightening of credit and slightly higher interest rates." He adds, however, that "generally we are trying to limit our services to established customers."

Over all. The clear picture that emerges from these and other telegraphic responses and interviews shows credit demands rising more rapidly than Government-controlled supply.

Loans—for new homes, cars, furniture, or for business purposes—are increasingly hard to come by and, in many cases, more costly. Judging from banker responses, there is every reason to expect somewhat more of the same.

Save by Mail!
EARN 4% Current Rate
ON PAID-UP SAVINGS ACCOUNTS

Earn 4% Now . . . and remember, accounts opened by 15th earn from 1st of month! A GOOD investment for insurance companies, corporations, businessmen, and other thrifty people. Open your account in multiples of $100 . . . to $10,000. Mail check or write for details.

First Guarantee Savings Association
Savings Dept. 700
4054 W. North Avenue
Chicago 39, Illinois

UNDER STATE GOVERNMENT SUPERVISION

Does your company advertise?

If what you make or sell is bought by important people in business, industry, or the professions—or their families—ask your advertising agency to get the facts on "U. S. News & World Report," and its more than 725,000 net paid circulation concentrated heavily among high-income people of importance.

Young Heat Exchanger

Freeze-ups happen even in summer! Hot bearing lube oil in a Midwest plant formed a varnish, freezing bearings during the hot summer months. Young Radiator Company Heat Exchangers were installed to cool the oil. Now, Young Coolers serve all similar machines in the plant . . . eliminating costly machine shutdowns. If you have a heat transfer problem of *any kind*, write or call Young Radiator Company today.

YOUNG RADIATOR COMPANY
RACINE, WISCONSIN
"Creative Heat Transfer Engineers for Industry"
EXECUTIVE OFFICES: RACINE, WISCONSIN
PLANTS AT: RACINE, WIS. AND MATTOON, ILL.

Sidney Smith, Gen'l Mgr. of a National Drive-In Chain always carries his

minox camera

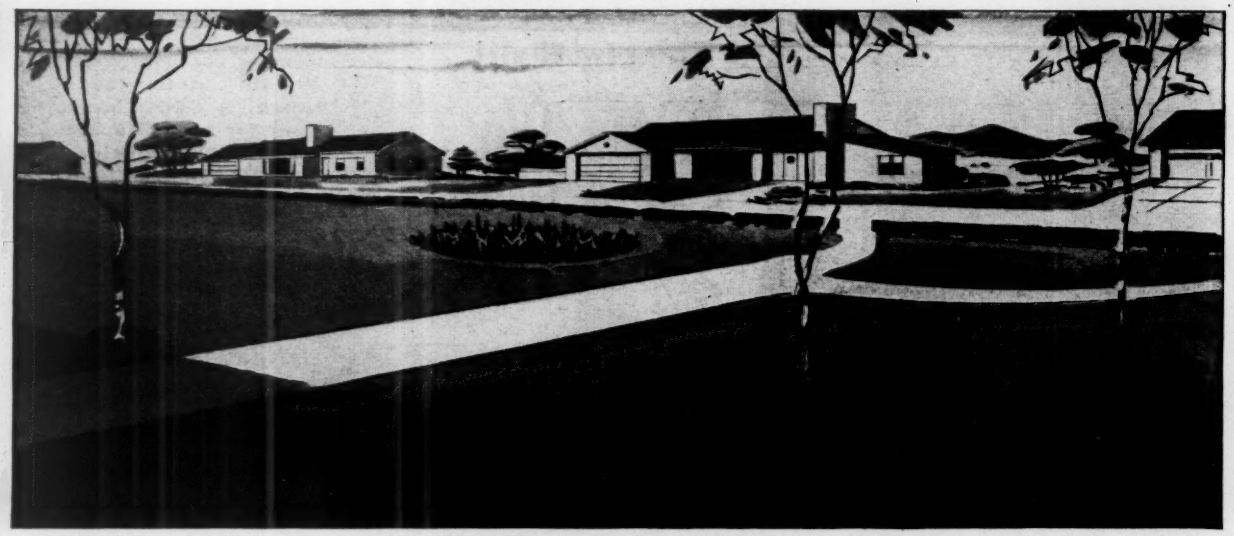
because—he finds it perfect for photographing national locations and making operation spot checks for his 35 Richard's Drive-In restaurants and Peter Pan Snack Shops. in his work . . . for his pleasure—he uses the world's tiniest precision camera (weighs but 2½ oz.) fast f/3.5 lens. all speeds from 1/2 sec. up to 1/1000 sec.

you can use a minox, too!

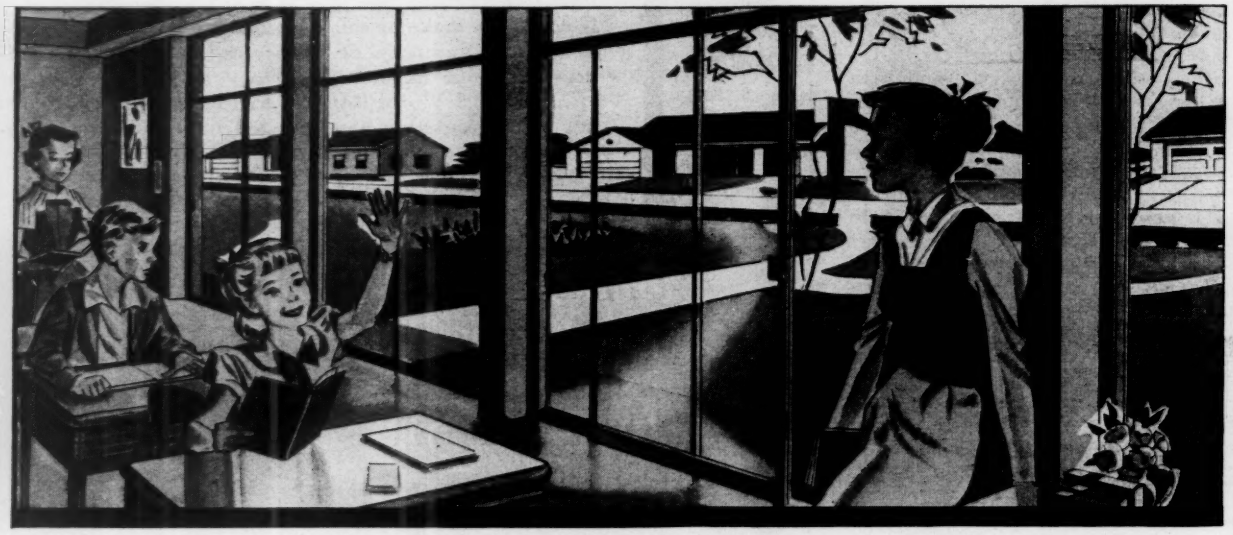
minox III-S with chain and case 139.50

for literature and your dealer, write Dept. O

KLING Photo Corp.
235 Fourth Ave.
New York 3, N. Y.



add all this room . . .



to this room for their sake

When you coop up a youngster, all he thinks about is getting out.

That's why so many schools have Daylight Walls in classrooms. Clear glass from wall to wall and sill to ceiling (or, as in the case above, sliding glass panels extending to the floor), brings the light and beauty and spaciousness of the outdoors indoors to make your school a happier place.

They cut costs, too. Artificial lighting isn't needed so much. There's less wall area to paint and maintain, and lower construction costs. In cold climates your daylight walls should be *Thermopane*® insulating glass for maximum comfort and heating economy.

Write for your free copy of "How to Get Nature-Quality Light for School Children". Dept. 4875, Libbey·Owens·Ford Glass Company, 608 Madison Avenue, Toledo 3, Ohio.

*®

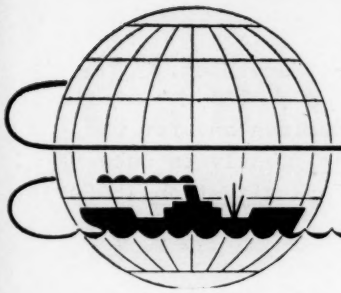
THERMOPANE • PLATE GLASS • WINDOW GLASS

LOF GLASS

DAYLIGHT WALLS

. . . THAT LET YOU SEE

LIBBEY • OWENS • FORD GLASS CO., TOLEDO, OHIO



Business Around the World

OTTAWA • WASHINGTON • PARIS • LONDON • BONN

›› The Canadians are beginning to look on the food shortages behind the Iron Curtain as an important marketing opportunity.

The Canadian Government is underwriting wheat sales to Poland and Czechoslovakia. Hungary is reported ready to buy Canadian wheat, too.

Canadian butter is being sold at a loss to Czechoslovakia.

Ottawa regards dumping of such surplus products in Eastern Europe as legitimate. Ottawa has protested U.S. dumping of agricultural surpluses in the free world as interfering with normal trade. Other members of the British Commonwealth, such as New Zealand and Australia, haven't liked U.S. actions, either.

But Eastern Europe looks to Ottawa like a good dumping ground.

›› These Canadian deals are worth a close look.....

Poland buys 10 million bushels of low-quality Canadian wheat at market prices. Cost, including freight, is about 19 million dollars. Poland makes a down payment of 3 million dollars. Remainder is financed by loans from Canadian banks guaranteed by the Canadian Government. Loans are to be repaid by Poland within one year. Apparently, Poland puts up no collateral.

A similar deal is reported with Czechoslovakia. Here the amount is 5 to 10 million bushels of wheat and the loan is also guaranteed by Ottawa.

Canadian butter is being sold to Czechoslovakia for 37 cents a pound. The Canadian "support" price for butter is 58 cents. And the wholesale price for butter sold to Canadians is 62 cents. So the Czechs will get this butter for a lot less a pound than the average Canadian pays in the grocery store.

›› Several attempts have been made by American citizens to sell surplus butter from U.S. Government stocks to the Soviet bloc.

But export licenses have never been granted. The rule, at the present time, is that export licenses to Soviet Europe will not be granted for any agricultural commodities acquired directly or indirectly from U.S. Government surplus stocks. A U.S. citizen can apply for licenses to export any other farm products to Russia or her satellites. Such licenses would probably be granted.

However, the Communists are really after bargains. It's the subsidized deals, such as Canada now offers on butter, that interest them most.

Ottawa's readiness to enter these surpluses transactions indicates hope that further, bigger sales can be made to the Communist countries.

Canada has not been selling wheat as readily as the U.S. in the last year.

Carry-over of Canadian wheat on July 31 will probably be about 475 million bushels--a high figure. Much of this is low-grade wheat--and hard to sell. But

(over)

the Eastern European governments apparently will buy almost anything.

>> The Russians also are buying meat in France for themselves and for the Poles. And they have been buying huge quantities of sugar, mostly in Cuba.

It's clear enough from these few examples that the food situation in Soviet Europe has not been improving. Recent buying suggests that there is need to plug gaps before the new crops come in.

The satellite states of Eastern Europe have changed from an area of great surplus in food to a deficit region in just a few years.

Before the war, Eastern Europe, excluding Russia, shipped some 3 million tons of grain a year to the rest of the world.

In recent years, this area has had to turn to Russia for some 2.5 million tons a year. This is a dramatic change. (For some of the reasons, see page 19.)

>> Europeans are doing a lot of hard thinking about atomic power plants. The "Atoms for Peace" show next month in Geneva is bound to stimulate even more interest about atomic energy. But it's just as well for American businessmen to be aware that Europeans aren't lagging in this new field.

Imperative need to move as fast as possible into large-scale power production from atomic plants is now clearly seen in Europe.

European coal production just isn't keeping pace with the extraordinary rise in industrial output. Coal imports are increasing. Oil is to be used increasingly in European power plants. But most of the oil must be imported. The best hydroelectric sites in Western Europe--with the possible exception of some in Austria--are already being used to produce power.

A serious power problem looms in Europe. Most people agree on that.

Western Europe's power requirements are expected to double in the next decade and to double again in the following decade. Atomic power is the answer to this need. The Atomic Age dawns at a strategic moment for Europe.

>> Britain lights the way with her 10-year program for building 18 atomic power plants. This program, expanded greatly since it was announced last February, is clearly just the beginning of a major move away from coal to the atom.

German power needs 15 years from now will have tripled. There seems to be a limit on the amount of coal the Germans can produce. Hydroelectric power from the Alps is seasonally affected. Germany must have much new thermal power capacity. Atomic plants are being talked about in Germany, too.

Countries such as the Netherlands that don't have large coal deposits are definite customers for atomic power. Sweden can already see the end of potential water-power development, and she imports coal and oil. Italy, too, has a fuel and power problem ahead--unless much more oil is discovered there. Despite huge hydroelectric development since the war, France will need more power soon.

It's clear why European officials are interested in practical applications of atomic power. The U.S., with plentiful fuel and low-cost electricity, perhaps can afford to wait on atomic power. Europe can't wait.

Large-scale development of atomic power is a sure thing in Western Europe. It will mean much business for suppliers of equipment and materials. It also means European firms will have plenty of know-how to sell in export markets.

Already, some 182 British firms are active in the manufacture of atomic equipment or materials. Most of them have big export plans.

THE DAIRY FARMERS' REPORT TO THEIR FELLOW BUSINESSMEN

Consumed: 3 billion more glasses of milk!

How farmer-businessmen and their industry were able to improve our nation's standard of living, and, at the same time, reduce the tax burden for all of us!

If you're in the food business . . . or the family-raising business . . . or the tax-paying business . . . you will be happy to know this.

In the marketing year ending March 31, 1955, you and all other average Americans consumed 9 more pints of fluid milk than the year before. Altogether—3 billion more glasses of milk.

You also ate cheese at a record rate. You ate more butter. For the first time since 1925, all three major dairy commodities, milk, butter, and cheese, had simultaneous increases in per capita sales.

These are tremendous gains in extra good health for the people of this country.

Legislative issues regarding dairy products continue important to the future of the nation and the industry. However, dairymen have been working, and out of their work has come crystal-clear evidence of marked improvement because of better selling of its products by the industry. And because dairy foods are one of the biggest volume and profit lines the food store operator has, this gain also added a worthwhile increase to the grocer's overall volume.

How did it happen?
Go shopping with your wife, you'll see.

You'll see bigger displays of dairy foods—powerful store merchandising at work. Thousands of food stores conducted mammoth dairy food promotions during June —because *June is Dairy Month!* The amazing way in which the dairy industry, specifically, and the food industry, generally, supported June Dairy Month is positive recognition of its tremendous merchandising opportunities.

Or watch Disneyland on TV. You'll see how the natural advantages of butter, cheese, milk, cottage cheese, evaporated milk, ice cream and nonfat dry milk are brought home to the American people.

Then look at the ads in your magazines and newspapers. See the big, colorful, compelling illustrations of dairy foods that excite every woman who has to contend with the dual problem of family health and meal preparation.

Good advertising . . . thorough product and market research . . . and practical merchandising is how it happened. So if you should join your wife at the local supermarket this weekend, see what takes place when the dairy farmers and the dairy industry hitch up their belts and get to work on sales. This is a business example of an industry's success in Operation Bootstrap.

To all those of the dairy industry and all the friends of the dairy industry in the food trade, restaurant business, transportation companies, chambers of commerce, service clubs, and others who recognized the merchandising possibilities and worth of June Dairy Month, a sincere thank you for your cooperation and help during June is Dairy Month 1955.

AMERICAN DAIRY ASSOCIATION
20 North Wacker Drive • Chicago 6, Illinois
National Headquarters, June is Dairy Month

21 American GI's Who Chose Communism

[Continued from page 44]

Here the record is blurred. Perhaps they were engaged. Anyway, he got a "Dear John" letter while he was in Germany, breaking off the romance. His barracks mates said that he changed after that and became even more silent and morose.

• • •

On March 17, 1950, the day his enlistment was up, he reenlisted and asked for Tokyo duty.

He got it. He was in Seattle the day the Korean fighting started and he went over with the 2nd Division to get into the fighting early that summer. On November 30 he was captured, along with nearly half of his fellow non-repatriates, when the Chinese hordes came down in full force.

Returned prisoners of war have said that Corden was an early convert of the Reds who quickly became a "big wheel" at Communist headquarters. Here he found the recognition of his abilities he had never found, either in civilian life or in the army.

• • •

SKINNER: "Remembered as the Boy Who Never Smiled"

- Pfc. Lowell Denver Skinner
- of Akron, O.
- born April 9, 1931
- enlisted 1949
- 1st Cavalry
- captured November 2, 1950
- Protestant
- 8th grade
- average I. Q.

The Army Reported:

According to returned prisoners of war, Skinner assisted Communist political instructors, disseminated propaganda material among prisoners and attempted to convert them to Communism, wrote articles for the publication Toward Truth and Peace, *made propaganda recordings and became an* informer. *His rewards included better treatment, better food and clothing and better medical attention.*

"I AM GOING TO CHINA to fight for peace," said the poker-faced American in the padded blue Chinese uniform.

• • •

Shortly afterward, Lowell Skinner, the boy who ate bananas for a week so he could get up to 116 pounds and be accepted by the army, set out for China with the rest of the twenty-one prisoners of war who refused to come home.

Lowell Denver Skinner was remembered by his neighbors in the river bottoms west of Akron, O., where he grew up, and by his teachers as "the boy who never smiled." His mother who refused to sign for an underage enlistment and prayed that he wouldn't pass the physical when he enlisted on his own at eighteen, agreed that Lowell couldn't do better than "a sort of half smile" even when he tried.

His last letter home, written in January of 1954 but not delivered for six months, told of a series of illnesses he had undergone.

"Mom," he wrote, "I've been pretty sick. My teeth went bad and an infection set in my jaw. The entire right side of my head and jaw swelled up and they gave me penicillin. It was after that I had pneumonia twice and malaria. But I'm all right now except my teeth. I haven't any jaw teeth and it presents a problem while eating."

• • •

Lowell, the first boy in his family—he has two older sisters, one younger sister and a younger brother—was "the apple of my eye," his mother told me. When he was little the family lived on a farm in central Ohio but moved to Akron about the time he started school.

His father, a World War I veteran—a cavalryman—works as a plasterer. The family live in an unprepossessing tarpaper shack, not much larger than an oversize trailer, set in a field far back from the road on the outskirts of Akron. The Skinners resent newspaper and magazine references to their home as substandard.

Neighbors also are unhappy over the description, and point out that if a family has had to spend money on "medical bills instead of home beautification" that should not be held against them.

These same neighbors thought Lowell "a good little kid, bullheaded maybe—he had a mind of his own. . . ."

• • •

The family moved about a good deal and Lowell went to four different schools in Akron. He repeated the first grade and although his I.Q. was in the average range, 103, and his achievement tests showed him above average in reading and vocabulary as well as social science, his grades were generally low, though his work habits and conduct were marked "Good."

• • •

His mother said he left school because "it was too hard for him," though he loved to read if it was about anything mechanical. He learned to repair watches and to make model guns; he worked for the local store, cared for the greens of the local golf course and did odd jobs.

• • •

Lowell was eighteen when he enlisted on August 16, 1949, without his parents' signatures. The banana diet worked and he passed his physical. He was in Japan when the hostilities started in Korea.

• • •

Lowell Skinner was captured—officially reported missing on November 2, 1950.

• • •

Fellow prisoners reported that he "played ball with the Reds" early in his imprisonment but were surprised when he decided to stay. One thought he really wanted to come home "but is afraid of something."

When a correspondent asked him that last day if he had any message to send to his folks, Lowell replied stiffly: "No message. In a little while I will write and explain to them. I'm sure they have faith in me." Then he faltered a moment and added, "Tell them I am in good health. Tell them not to worry."

. . . "Leonard was a 'slow learner' . . . in need of clinical help"

SULLIVAN: "Drinking Parties at Home Became Terrifying"

- Cpl. LaRance Sullivan
- Santa Barbara, Calif.
- born February 1, 1931
- enlisted February 25, 1948
- 2nd Division
- captured November 25, 1950
- Negro, Protestant
- 3rd year high school
- average I. Q.

The Army Reported:

According to returned prisoners of war, Sullivan was a member of the staff of the camp newspaper for which he wrote articles extolling Communism. He circulated petitions and urged his fellow prisoners to sign them, made propaganda recordings for broadcast, attempted to convert his fellow prisoners to Communism, and was placed in charge of a group of prisoners as one of his rewards.

YOU CANNOT FIND ANYONE in Santa Barbara who is willing to condemn LaRance Sullivan for turning his back on America or on their fair town, sprawling along the hills that edge the Pacific midway between San Francisco and Los Angeles.

It's not because they don't realize the enormity of the step he has taken.

° ° °

It's because they know too much about his background.

They know about the crowded slum where he lived in such contrast to the general opulence of their town.

They know about the little boy who was so hungry "he ate out of garbage cans" and did not have "the habit of breakfast."

They know about the boy—older now—who shepherded his younger sisters into the haven of a police station when the drinking parties at home became too terrifying.

They know about the succession of stepfathers and the one in particular who beat his mother and persuaded her to sign his enlistment "so we can be rid of him."

And they know how his loyalty to his mother never wavered —and what her end was.

° ° °

Whatever his reasons, LaRance Vance Sullivan, alone out of the twenty-one who refused repatriation and stayed with their Red captors, expressed one reason he did not learn completely out of a Communist copybook.

"I have heard about my mother," Sullivan told a correspondent just before he went behind the Iron Curtain. "If our living conditions had been better, this need not have happened."

What happened to LaRance's mother . . . was summarized starkly by the Ventura *Star Press* in a news story of August 17, 1951:

> Enrique Maytorena, forty-eight, went to state prison today to serve a ten-year sentence for second-degree murder in the fatal beating of Mrs. Laura Mae Moten, in a hotel room in nearby Oxnard, a month ago. He told police he had beaten her as punishment for trying to steal his wallet.

Pierre Moten, LaRance's stepfather, had already died earlier that month in a truck accident at a summer resort.

° ° °

LaRance went into battle with the 2nd Division early in the fall of 1950, the first year of the war. . . . He was reported missing on November 25, 1950. In prison camp he soon developed tuberculosis because of the privations and the physical conditions of those early months of imprisonment.

° ° °

RUSH: "Rightly or Wrongly, He Felt Unwanted"

- Cpl. Scott Leonard Rush
- of Akron, O.
- born August 18, 1932
- enlisted August 19, 1949
- 3rd Division
- captured November 26, 1950
- Catholic
- 8th grade
- low I. Q.

The Army Reported:

According to returned prisoners of war, Rush was a member of the "Kremlin Club" and was a devoted student of Communism. As a reward for his efforts to convert fellow prisoners, he was appointed a librarian and received better food and medical care than prisoners who resisted Communism.

SCOTT LEONARD RUSH was a slight, delicate boy with wide eyes and a baby face when he enlisted in the army in 1949, the day after his seventeenth birthday. When he headed for China in January of 1954, still slight and delicate, he was only twenty-two, no longer wide-eyed, no longer baby-faced, no longer a boy.

His face was lined and weary, pared to a hollowness about chin and cheeks, his eyelids sagged, his mouth was twisted and turned down at the corners, his frail, small frame cramped like that of an old man.

The chances are that if Leonard, or Peewee, as he was variously known, had waited until his eighteenth birthday the army wouldn't have taken him at all, with a war on. He wasn't exactly army material. Small, only five foot two, Leonard was a "slow learner" who had been considered in need of clinical help for his emotional difficulties at the special public school he attended.

That is the Miller Occupational School in Akron, where despite few facilities and a lean budget, small miracles are being worked with boys who have difficulty in keeping up with their classmates. . . .

Leonard's parents are both alive and there has been no divorce in the family. Yet, rightly or wrongly, he felt unwanted. This sense of not belonging was increased when he was fifteen and his parents moved away from Akron, leaving Leonard and his brother Richard behind. Richard was put in a Catholic boarding school. Leonard lived in a basement room and earned his way through school working as a dishwasher at a local hotel.

At the Mayflower Hotel the kitchen staff called him "about

21 American GI's Who Chose Communism

[Continued from page 44]

Here the record is blurred. Perhaps they were engaged. Anyway, he got a "Dear John" letter while he was in Germany, breaking off the romance. His barracks mates said that he changed after that and became even more silent and morose.

• • •

On March 17, 1950, the day his enlistment was up, he reenlisted and asked for Tokyo duty.

He got it. He was in Seattle the day the Korean fighting started and he went over with the 2nd Division to get into the fighting early that summer. On November 30 he was captured, along with nearly half of his fellow non-repatriates, when the Chinese hordes came down in full force.

Returned prisoners of war have said that Corden was an early convert of the Reds who quickly became a "big wheel" at Communist headquarters. Here he found the recognition of his abilities he had never found, either in civilian life or in the army.

• • •

SKINNER: "Remembered as the Boy Who Never Smiled"

- **Pfc. Lowell Denver Skinner**
- **of Akron, O.**
- **born April 9, 1931**
- **enlisted 1949**
- **1st Cavalry**
- **captured November 2, 1950**
- **Protestant**
- **8th grade**
- **average I. Q.**

The Army Reported:

According to returned prisoners of war, Skinner assisted Communist political instructors, disseminated propaganda material among prisoners and attempted to convert them to Communism, wrote articles for the publication Toward Truth and Peace, *made propaganda recordings and became an* informer. *His rewards included better treatment, better food and clothing and better medical attention.*

"I AM GOING TO CHINA to fight for peace," said the poker-faced American in the padded blue Chinese uniform.

• • •

Shortly afterward, Lowell Skinner, the boy who ate bananas for a week so he could get up to 116 pounds and be accepted by the army, set out for China with the rest of the twenty-one prisoners of war who refused to come home.

Lowell Denver Skinner was remembered by his neighbors in the river bottoms west of Akron, O., where he grew up, and by his teachers as "the boy who never smiled." His mother who refused to sign for an underage enlistment and prayed that he wouldn't pass the physical when he enlisted on his own at eighteen, agreed that Lowell couldn't do better than "a sort of half smile" even when he tried.

His last letter home, written in January of 1954 but not delivered for six months, told of a series of illnesses he had undergone.

"Mom," he wrote, "I've been pretty sick. My teeth went bad and an infection set in my jaw. The entire right side of my head and jaw swelled up and they gave me penicillin. It was after that I had pneumonia twice and malaria. But I'm all right now except my teeth. I haven't any jaw teeth and it presents a problem while eating."

• • •

Lowell, the first boy in his family—he has two older sisters, one younger sister and a younger brother—was "the apple of my eye," his mother told me. When he was little the family lived on a farm in central Ohio but moved to Akron about the time he started school.

His father, a World War I veteran—a cavalryman—works as a plasterer. The family live in an unprepossessing tarpaper shack, not much larger than an oversize trailer, set in a field far back from the road on the outskirts of Akron. The Skinners resent newspaper and magazine references to their home as substandard.

Neighbors also are unhappy over the description, and point out that if a family has had to spend money on "medical bills instead of home beautification" that should not be held against them.

These same neighbors thought Lowell "a good little kid, bullheaded maybe—he had a mind of his own. . . ."

• • •

The family moved about a good deal and Lowell went to four different schools in Akron. He repeated the first grade and although his I.Q. was in the average range, 103, and his achievement tests showed him above average in reading and vocabulary as well as social science, his grades were generally low, though his work habits and conduct were marked "Good."

• • •

His mother said he left school because "it was too hard for him," though he loved to read if it was about anything mechanical. He learned to repair watches and to make model guns; he worked for the local store, cared for the greens of the local golf course and did odd jobs.

• • •

Lowell was eighteen when he enlisted on August 16, 1949, without his parents' signatures. The banana diet worked and he passed his physical. He was in Japan when the hostilities started in Korea.

• • •

Lowell Skinner was captured—officially reported missing on November 2, 1950.

• • •

Fellow prisoners reported that he "played ball with the Reds" early in his imprisonment but were surprised when he decided to stay. One thought he really wanted to come home "but is afraid of something."

When a correspondent asked him that last day if he had any message to send to his folks, Lowell replied stiffly: "No message. In a little while I will write and explain to them. I'm sure they have faith in me." Then he faltered a moment and added, "Tell them I am in good health. Tell them not to worry."

. . . "Leonard was a 'slow learner' . . . in need of clinical help"

SULLIVAN: "Drinking Parties at Home Became Terrifying"

- Cpl. LaRance Sullivan
- Santa Barbara, Calif.
- born February 1, 1931
- enlisted February 25, 1948
- 2nd Division
- captured November 25, 1950
- Negro, Protestant
- 3rd year high school
- average I. Q.

The Army Reported:

According to returned prisoners of war, Sullivan was a member of the staff of the camp newspaper for which he wrote articles extolling Communism. He circulated petitions and urged his fellow prisoners to sign them, made propaganda recordings for broadcast, attempted to convert his fellow prisoners to Communism, and was placed in charge of a group of prisoners as one of his rewards.

YOU CANNOT FIND ANYONE in Santa Barbara who is willing to condemn LaRance Sullivan for turning his back on America or on their fair town, sprawling along the hills that edge the Pacific midway between San Francisco and Los Angeles.

It's not because they don't realize the enormity of the step he has taken.

° ° °

It's because they know too much about his background.

They know about the crowded slum where he lived in such contrast to the general opulence of their town.

They know about the little boy who was so hungry "he ate out of garbage cans" and did not have "the habit of breakfast."

They know about the boy—older now—who shepherded his younger sisters into the haven of a police station when the drinking parties at home became too terrifying.

They know about the succession of stepfathers and the one in particular who beat his mother and persuaded her to sign his enlistment "so we can be rid of him."

And they know how his loyalty to his mother never wavered —and what her end was.

° ° °

Whatever his reasons, LaRance Vance Sullivan, alone out of the twenty-one who refused repatriation and stayed with their Red captors, expressed one reason he did not learn completely out of a Communist copybook.

"I have heard about my mother," Sullivan told a correspondent just before he went behind the Iron Curtain. "If our living conditions had been better, this need not have happened."

What happened to LaRance's mother . . . was summarized starkly by the Ventura *Star Press* in a news story of August 17, 1951:

> Enrique Maytorena, forty-eight, went to state prison today to serve a ten-year sentence for second-degree murder in the fatal beating of Mrs. Laura Mae Moten, in a hotel room in nearby Oxnard, a month ago. He told police he had beaten her as punishment for trying to steal his wallet.

Pierre Moten, LaRance's stepfather, had already died earlier that month in a truck accident at a summer resort.

° ° °

LaRance went into battle with the 2nd Division early in the fall of 1950, the first year of the war. . . . He was reported missing on November 25, 1950. In prison camp he soon developed tuberculosis because of the privations and the physical conditions of those early months of imprisonment.

° ° °

RUSH: "Rightly or Wrongly, He Felt Unwanted"

- Cpl. Scott Leonard Rush
- of Akron, O.
- born August 18, 1932
- enlisted August 19, 1949
- 3rd Division
- captured November 26, 1950
- Catholic
- 8th grade
- low I. Q.

The Army Reported:

According to returned prisoners of war, Rush was a member of the "Kremlin Club" and was a devoted student of Communism. As a reward for his efforts to convert fellow prisoners, he was appointed a librarian and received better food and medical care than prisoners who resisted Communism.

SCOTT LEONARD RUSH was a slight, delicate boy with wide eyes and a baby face when he enlisted in the army in 1949, the day after his seventeenth birthday. When he headed for China in January of 1954, still slight and delicate, he was only twenty-two, no longer wide-eyed, no longer baby-faced, no longer a boy.

His face was lined and weary, pared to a hollowness about chin and cheeks, his eyelids sagged, his mouth was twisted and turned down at the corners, his frail, small frame cramped like that of an old man.

The chances are that if Leonard, or Peewee, as he was variously known, had waited until his eighteenth birthday the army wouldn't have taken him at all, with a war on. He wasn't exactly army material. Small, only five foot two, Leonard was a "slow learner" who had been considered in need of clinical help for his emotional difficulties at the special public school he attended.

That is the Miller Occupational School in Akron, where despite few facilities and a lean budget, small miracles are being worked with boys who have difficulty in keeping up with their classmates. . . .

Leonard's parents are both alive and there has been no divorce in the family. Yet, rightly or wrongly, he felt unwanted. This sense of not belonging was increased when he was fifteen and his parents moved away from Akron, leaving Leonard and his brother Richard behind. Richard was put in a Catholic boarding school. Leonard lived in a basement room and earned his way through school working as a dishwasher at a local hotel.

At the Mayflower Hotel the kitchen staff called him "about

. . . "Rush was only in battle a few days before he was captured"

as quiet a kid as you'd ever find; speak to him and he'd smile a little but he'd hardly ever say a word."

Neighbors in Akron called him a "nice lad" who didn't play much but who worked hard after school, selling papers on downtown street corners, and caddying before he got the dishwashing job, a boy with no close pals, who had never had a girl.

° ° °

Leonard graduated from the Miller school in June of 1949 and went to Marietta, O., where his parents were now living. Two months later he enlisted in the army and became a combat photographer in the 3rd Division.

He was only in battle a few days before he was captured. The 3rd Division landed in Korea early in November and got into the front lines just in time to be hit by the waves of fresh Chinese troops that turned what seemed to be victory into a rout.

° ° °

Fellow prisoners were surprised to find that Peewee was one of those who had agreed to stay with the Chinese Reds. He had been "mildly progressive," but hardly more than the general run who didn't see any point in "trying to be a hero" when all you got for your heroism were beatings and frozen feet.

° ° °

BELHOMME: "Undoubtedly the Chinese Reds' Prize Catch"

- **Cpl. Albert C. Belhomme**
- **of Ashland, Pa.**
- **born in Antwerp, Belgium, November 7, 1928**
- **enlisted November 6, 1948**
- **2nd Division**
- **captured November 30, 1950**
- **Catholic**
- **European education**
- **high I. Q.**

The Army Reported:

According to returned prisoners of war, he wrote articles for the Communist publication Toward Truth and Peace *and created slogans for Communist posters displayed in camp. He was a member of the "Kremlin Club" which was devoted to special study of Communist ideology and to discussions of Communism in the international situation. Belhomme was a leader of a Communist study group and was used as a liaison man between prisoners and Communist camp authorities.*

IN MANY WAYS the case of Albert Belhomme is a curious paradox. Born in Belgium and brought here by his mother when she married an American G.I., Albert had little time to put down roots in his adopted country before he was made prisoner by the Chinese Reds.

Conversely, as a foreigner, he was the only one of the twenty-one who chose to stay with their Red captors who had previously chosen to be an American. He had taken out his first papers; had joined the army, actually, to speed up the process of becoming a citizen.

In an interview before he left Panmunjom to go behind the Iron Curtain, Belhomme pointed out that he had spent five years of his life "under Hitler's occupation" and that he had no wish to go back to more of the same which he was now certain would be his lot in America.

° ° °

As a refugee from Europe, Albert had seemed to appreciate the democratic principles of his adopted country to a greater degree than boys who had grown up knowing nothing else. Still he was not immune to the idea that what had happened in Europe could happen in America.

Alone of the twenty-one, he had had real contact with Communism and Communists, and might be supposed to have acquired some sophistication as to their goals and methods. But he knew Communists only as staunch members of the Underground, allies in the fight against Hitler at a time when their plans and their goals were veiled under the guise of the United Front—and he was hardly more than a child.

When Albert was born in Antwerp, Belgium, in 1928, peace and prosperity began to seem like established institutions. Yet there was a shadow across Albert's life before he was scarcely able to talk.

"Our daddy was mean to him," his mother, Marcella Belhomme Seifert, put it. "He slapped him around. That's why we separated."

The child had such a severe case of asthma that he spent most of the years between the ages of two and five in a sanitarium. He recovered sufficiently to go to the parish school where he soon became the most brilliant student.

"The priest said he studied too much," Mrs. Seifert said. "He could learn to speak any language he wanted to."

Albert was eleven when the war came. He was twelve when his father was killed. He was thirteen when he beat his way to Berlin to find his mother who had been put in a slave labor camp there. He stayed there with her and was with her when she met an American G.I., Theodore L. Seifert of Ashland, Pa.

"Albert liked Ted from the beginning," Mrs. Seifert said. "He was happy when we told him we were going to be married, asked if he could start calling him Dad from then on."

Because of Albert, there were some complications about the two coming into this country but they were allowed entry in 1946 when Albert was eighteen. He took out his first citizenship papers but wasn't able to get a regular job even though he had become an expert drill press operator in Germany.

° ° °

He tried to get in the navy, was turned down for flat feet, and finally enlisted in the army in November of 1948. In the meantime he had made himself a part of the community in two short years, with a host of friends.

One of his friends remembered him as "quieter than the average and brighter than the average; he picked up English in a few months and spoke it flawlessly."

Another spoke of how he had helped the students he knew with both German and French and quickly became one of the gang.

"He wouldn't talk about his experiences in the war," another one said. "I guess they must have been pretty bad. And there were times when I thought he wasn't very stable. He certainly hadn't had a stable life."

° ° °

Once in the army he passed all the tests for officers' training but one: he had not yet gotten his citizenship. After basic training he was sent over to Germany for three months, recalled and sent to Seattle, then to Korea with the 2nd Division.

. . . "Albert's phenomenal ability with languages showed up"

The Chinese Reds captured Albert on November 25, 1950. He was held in four different camps, acting as liaison man between prisoners and their captors. He was not accused of being an informer.

Of all the twenty-one, Belhomme is undoubtedly the Chinese Reds' prize catch, useful in more ways than just as a propaganda gesture. His phenomenal ability with languages showed up when he learned Korean and Chinese to the point where he "could speak like a native." In addition he knew Flemish, Dutch, French, German and English and could pass as a native in any of these languages.

° ° °

WILSON: "Scared or Stupid, or Both"?

- Pfc. Aaron P. Wilson
- of Urania, La.
- born July 28, 1932
- enlisted March, 1950
- 7th Division
- captured November 30, 1950
- Baptist
- 8th grade
- low I. Q.

The Army Reported:

According to returned prisoners of war, Wilson performed special duties for the Chinese Communists, circulating peace petitions, making recordings for Communist propaganda broadcasts, participated in Communist study group meetings and tried to win converts to Communism. His rewards included more and better food and a greater degree of freedom than that given other prisoners.

"REMEMBER BEFORE THE WAR when you got lost one day while hunting and we brought you out of the woods? Well, we still feel the same way, only this time we are trying to bring you out of the woods of Communism."

These words were addressed to Aaron P. Wilson of Urania, La., by Sheriff Floyd of LaSalle Parish. They were part of a recorded plea sent to him while he was in the neutral zone at Panmunjom and could still change his mind about refusing to come back to his country.

It is doubtful if Aaron ever heard Sheriff Floyd's plea, or the voices of his parents and favorite sister begging him to come home. It is doubtful if it would have made any difference if he had. Aaron's family, with some reason, believe their boy is one of three who, South Koreans said, wanted to come back but were "scared."

"He was a humble boy who never sassed me in his life," says his mother, Mrs. Henry B. Wilson. "When he was whipped he would stand up like a humble little dog and take his punishment."

"Not another boy in that town would've got lost in those woods and had to be led out," said a former resident of Urania. "Without you could go in and lead him out of that Communist camp, there was no chance he'd come out of there either."

"He was a lonely kid, quiet, not as bright as he should be," said a neighbor. "He stayed to himself, played to himself, never did what the other kids did; never even played ball."

"My brother couldn't have written those letters," said his sister Myrtle, of the Communist propaganda he wrote home. "He was too dumb to write like that. Why, when he went in the Army he was seventeen and still in the eighth grade."

"Aaron was afraid he would be prosecuted if he came home" was the word sent to his family by Claude Batchelor, the prisoner of war who slipped out of the compound just before the deadline. But he hasn't anything to fear. A lot of other prisoners informed on their buddies. But Aaron was straight and never did anything like that."

Nor does the army accuse him, as it does twelve of the twenty-one, of being an informer.

Whether he was scared or stupid, or both, whether he fell for the Communist line, or the Communist lures, Aaron went behind the Iron Curtain January 28, 1954, with the twenty-one.

° ° °

HAWKINS: "David Never Had a Settled Home"

- Pvt. Samuel David Hawkins
- of Oklahoma City, Okla.
- born August 11, 1933
- enlisted September 21, 1949
- 2nd Division
- captured November 30, 1950
- Protestant
- 3rd year high school
- low-average I. Q.

The Army Reported:

According to returned prisoners of war, Hawkins voluntarily collaborated with the Communists, informed on his fellow prisoners, attended voluntary classes conducted by the Chinese and tried to persuade other prisoners to accept Communism. Among other rewards, Hawkins was appointed mail clerk by the Chinese.

TO HIS MOTHER, David Hawkins was "a baby in a man's shoes." To his fellow prisoners of war in a Korean prison camp, he was "a character, a fresh kid." To his teachers in Oklahoma City, he was a dreamer "who wanted to get through the day with the least disturbance; who took life as it came and didn't put up much fight."

Samuel David Hawkins was only sixteen when he enlisted in the army, with his mother's signature and records to prove he was seventeen. He was really seventeen when he was captured by the Chinese Reds in the disorganized 2nd Division retreat of late November, 1950. He was twenty when he was persuaded to stay back with the rest of the twenty-one American prisoners of war who refused repatriation.

His mother, Mrs. Carley Sallee Jones, a twice-divorced Holiness sect preacher, signed for her only child's enlistment in 1949 because "I didn't want him running loose in the streets; there wasn't a war on then." She couldn't know that he would never run loose anywhere, ever again.

° ° °

David's father, Clayton O. Hawkins, an oil field worker, died in a fire in Tuskahoma, Okla., while his son was in prison camp. The Hawkinses had been divorced when David was a youngster. . . .

His mother's second marriage didn't last much longer than her first. David never had a settled home. His mother moved

. . . "David had no close friends, no buddy, no girl"

from rooming house to rooming house, from one section of Oklahoma City to another. One year he went to three different schools.

° ° °

At school, his teachers had liked David—one remembered every seat he had sat in—though some of them thought him unresponsive, even to kind treatment, and said he was not a happy boy. His I.Q. was 96, a little below average (which is 100), but he didn't do as well in school as he could have because of "lack of effort."

He got along well both with teachers and classmates. He was not a troublemaker, but he had no close friends, no buddy, no girl, no interest in sports or extracurricular activities.

° ° °

David was absent from school a good deal all through the years, but after he returned from California to start his third year in high school he was particularly restless and often stayed away from class. Finally he quit going altogether and it was then that his mother signed for his enlistment "to keep him off the streets."

° ° °

WHITE: "No One Remembers William Being Whipped"

- **Pfc. William C. White**
- **of Plumerville, Ark.**
- **born May 9, 1930**
- **enlisted March 17, 1948**
- **2nd Division**
- **captured November 30, 1950**
- **Negro, Protestant**
- **4th year high school**
- **average I. Q.**

The Army Reported:

According to returned prisoners of war, White informed *on his fellow prisoners, willingly accepted Communist ideology, and tried to influence other prisoners to accept Communism. Among his rewards was the position of mailman.*

THE FEW THAT REMEMBER him are puzzled—but not many remember him. His mother and his teachers are "crushed"; it wasn't like him.

For the first time in his life, William C. White of Plumerville, Ark., population 550, is a member of a group. This might be cause for rejoicing except that the group happens to be the twenty-one American prisoners of war who turned their backs on their country and headed for China with their Red captors.

"Kind of indifferent," a boy who grew up with him, called him. "During recess he'd go off and sit by himself. Boy came near him, he'd just move farther off. Never made no fuss about it. Just wanted to be by himself."

"A good worker," said a white farmer, who hired him summers to work his cotton and corn. "Not one of those rowdy niggers. You couldn't find a nicer boy."

"He was a likable youngster," said one of his teachers, "never in trouble with anyone, in or out of school."

Folks in Plumerville are even more puzzled by the statement he made just before he left for China than by his decision to stay with the Reds. He said then:

"I have been in prison for three years, and for the first time in my life, I have seen complete equality for men of all races and colors who worked together and played together. When I see things like this I am reminded of what happened to me in my own country where as children, I and other Negro boys were whipped by policemen because we didn't take off our hats to them."

There aren't any policemen in Plumerville. No one remembers William being whipped by anyone for anything. His mother, Mrs. Mattie Lee Gorman, said she didn't know what he was talking about.

"I never heard of him being whipped by a policeman. He's just saying what he's been made to say, that's all."

His mother and his stepfather, Walter Gorman, are well thought of in Plumerville, a hamlet some fifty miles from Little Rock, Arkansas' capital. They pay their bills regularly and aren't "in" to the local store.

Gorman works as a trackwalker for the railroad, an off again, on again job, and Mrs. Gorman supplements his income by working in a rural garment factory in Morrilton, the next town down the pike.

° ° °

At the combination filling station and general store near the Gorman home, the owners had nothing but praise for the Gormans and for William White.

"They've been trading here for more than eight years and they never buy what they can't afford and they always pay their bills. William was a pretty nice and intelligent boy, like his mother and stepfather. He loved to hunt and fish but he never got in any trouble."

That is, not until he enlisted in the army in March of 1948. He went into Korea with the 2nd Division. . . . He was captured on December 1, 1950, and had been a prisoner for more than three years when he went off to China with the rest of the twenty-one.

° ° °

WEBB: "He Didn't Have Anything to Come Home for"

- **Cpl. Harold H. Webb**
- **of Jacksonville, Fla.**
- **born September 12, 1931**
- **enlisted August 2, 1949**
- **captured December 1, 1950**
- **Protestant**
- **9th grade**
- **low-average I. Q.**

The Army Reported:

According to returning prisoners of war, Webb informed *on fellow prisoners, wrote propaganda articles, made Communist propaganda posters, circulated petitions, made propaganda broadcast recordings, and became a member of the "Kremlin Club." His rewards included elevation to the post of camp librarian.*

EIGHT YEARS AGO a skinny, undernourished kid named Harold Webb was attending eighth grade classes at the Westgate Junior High School in a suburb of West Palm Beach—attending them but little more. He didn't like school. He came only to

. . . "Harold's school record had been poor"

play football, for which he had a passion so strong that he braved beatings with a window sash, beatings that left raw open welts across his back, to continue playing.

"He was skinny but he was strong and tough as a piece of whiplash," a teacher who knew him in those days and saw the welts on his back, told me. "He made up his mind he was going to play football and he did. When I saw his name in the paper as one of the twenty-one who were going to stay over there I tried to figure out in my mind why that boy would do it. He was a good boy. But he didn't have anything to come home for. Anything they offered him would be better than what he had."

Six years ago Harold Webb enlisted in the army and a year or so later he was captured in the winter rout. In January of 1954, still skinny and undernourished, he told reporters at Panmunjom before he left for China that he wanted his father and his sister to know that he was very happy.

"I hope they will understand," he said. "If they don't now, I hope they will in the future."

His father has disappeared. His sister Katherine, who at twenty-two is happily married, with three children including twins, doesn't understand.

° ° °

Harold was born in Jacksonville, Fla., in 1931. Both his parents were native Floridians. Mrs. Webb had been one of the three pretty Hunter girls, brought up by a stepmother. . . .

After the girls were grown, the second Mrs. Hunter married Irving Carpenter and the two were acting as caretakers for the S. S. Simmons estate, Pop-o-Lee, at Mandarin, eighteen miles out of Jacksonville, when Mrs. Webb brought her two children there to live. She turned to her stepmother when her marriage broke up.

The beautiful broad lawns of the estate stretch down to the St. Johns River and Harold and Katherine played on the banks and roamed through the semitropical glades. They went to school at nearby Loretto. These were halcyon days. But they were not to last. Mrs. Webb had never been well, but her death was a sudden shock. Her stepmother survived her for only a few months. The children were separated, Katherine going to an aunt in West Palm Beach and Harold to his father who was working off and on as a carpenter in Westgate.

Harold's school record had been poor at Loretto and it was worse in Westgate. He had failed two subjects in the ninth grade and had been absent ten days when he dropped out of school in 1947 not long before he was sixteen. He went on his own then, getting a job first with a Venetian blind company in West Palm Beach and then with a sheet metal company in Miami. . . . He worked part time for a sign company, tried to enlist in the navy and failing that, enlisted in the army in August, a month before his eighteenth birthday.

He was in the ill-fated 2nd Division and was made a prisoner on December 1, 1950. . . . Returned prisoners of war who knew him in camp remember him as a boy who stayed to himself, "a strange one," an early progressive but not a particularly strong one.

His letters home were fairly cheerful and had little propaganda in them. He wrote his aunt in December of 1952, after he had been a prisoner for two years, that he was "still the same old guy that left home three years ago; there's only one change and that is that I'm not a kid any more. I'm a man now with a few thousand miles under my feet."

He assured his aunt that he was "still not a drinking man" and that there was nothing to worry about, "just keep your fingers crossed and I'll be home soon."

The next Christmas he was in the neutral compound in Panmunjom. . . .

CLARENCE ADAMS: "He Grew Restless and Bored with School"

- Pfc. Clarence Adams
- of Memphis, Tenn.
- born January 4, 1929
- enlisted 1947
- 24th Division
- captured December 1, 1950
- Negro, Protestant
- 3rd year high school
- average I. Q.

The Army Reported:

According to returned prisoners of war, Adams voluntarily collaborated with his captors and used his efforts and influence to urge fellow prisoners to accept Communism. He circulated petitions prepared by the Communists to further their war aims and he urged other prisoners to sign them. He attended special classes in political economy. He was an informant to the Chinese on activities of loyal Americans held prisoner. As a reward for his efforts he was selected by the Chinese to be a librarian.

LIKE THE TWO OTHER Negro prisoners of war who didn't come back, Clarence (Skippy) Adams made a bitter statement at Panmunjom about "race prejudice and segregation."

However much he might have felt such bitterness in his childhood, it had never been obvious to those who knew him best.

"Those words were not Skippy's," said one of his teachers. "He didn't leave Memphis with any of those feelings. The average colored boy faces up to the segregation and accepts it and goes on about his business."

Clarence's childhood home was a tenant house on the old "Coward Place," a pre-Civil War mansion which has been engulfed by the city. His mother remarried when he was not yet two years old. . . .

Since his was the only Negro family in the area, there were none but white boys with whom he could play. He did not go to school with them, but to the nearest segregated Negro school.

° ° °

When he was ten, Clarence was seriously ill with high blood pressure and an edema from which he recovered slowly. His teachers thought that he never had really good health from then on.

° ° °

He grew restless and bored with school; his mother worried over his attitude and had many conferences with school officials.

"He thought maybe if he got away from school and went into the army he would go back and do better when he came out," Mrs. Peoples told me. "That's why I agreed to his enlistment."

Clarence enlisted in September of 1947. Three years later when his enlistment would have been up he was in the fighting lines in Korea with the 24th Division, the first United States forces to be sent in against the North Koreans. . . . Clarence was reported missing on December 1.

° ° °

(Continued on page 122)

. . . "Gayle was given the Bronze Star for courage in combat"

PATE: "He Hadn't Seen Much but Poverty"

- Pfc. Arlie H. Pate
- of East Carondelet, Ill.
- born November 3, 1931
- enlisted January 12, 1949
- 7th Division
- captured December 2, 1950
- Baptist
- 9th grade
- average I. Q.

The Army Reported:

According to returned prisoners of war, Pate's willingness to cooperate with the Communists resulted in his appointment to the staff of the camp newspaper. He circulated petitions, wrote articles for the Communist publication Toward Truth and Peace, *made recordings for propaganda purposes and* informed *on prisoners who attempted to escape or who refused to accept Communism. His rewards included better food and clothing, better medical care and a large degree of freedom.*

"IF I RAISED MY VOICE it was like hitting him with a whip." Hersel Lillis, manager of the Broadhead Motor Company in East St. Louis, Ill., was talking of Arlie Pate, who grew up in the levee country of southern Illinois.

"Arlie walked in one day when he was sixteen and asked for a job," Lillis, a big, bluff, friendly man told me. "He looked like he needed work and we needed a boy so we took him on. He was a good worker. There was nobody around here who didn't like him. But I soon found out that when I went looking for him I would have to be careful or I would scare him."

Arlie's job was with the parts department. He drove a truck on short errands, picking up parts. He was a little "slow" and "we would have to write down each of the stops we wanted him to make," his immediate superiors recalled. But he "didn't try to make time on the job like a lot of others." He earned $25 a week and gave half of it to his mother.

"Arlie was a big, good-looking boy who was bound to fill out and get bigger," Lillis told me. "When he enlisted he came down to see us and show off his uniform. He was real proud of it. He hadn't seen much in his life but poverty and hard times. He enlisted because he wanted to see the world, he said, but all he saw was the Korean battlefields and a prison stockade. He was the last kid in the world you'd pick for a Communist—and yet I can see that he would probably believe anything they told him."

In East Carondelet, Arlie's sister Goldie, now Mrs. Cecil Sloan, with three attractive young children of her own, lives across the way from the makeshift house where she and Arlie grew up. She agreed that life had been kind of bleak when she and Arlie were youngsters.

"Our clothes were ragged and we were on relief and the other kids picked on us a lot," she told me. . . . He wasn't a happy kid. My father wasn't well and he didn't get along with him."

On their new farm, nine miles down dirt roads from Carbondale, Ill., Arlie's parents, Mr. and Mrs. Daniel Howard Pate, told me how they had never expected Arlie would go into battle when they signed for his enlistment at seventeen, in 1949.

After he enlisted he came home on leave once in the spring of 1950 and then was shipped to Tokyo. He sent home pictures of himself cheek to cheek with a Japanese girl, the first girl he had ever had. Then came June 25, 1950. Arlie went into the line with the 7th Division, after the Inchon landings in September. He was reported missing December 2.

HOWARD ADAMS: "Polite—Silent and Hard to Know"

- Cpl. Howard Gayle Adams
- of Corsicana, Tex.
- born May 29, 1925
- Bronze Star for Heroism
- World War II
- re-enlisted August 31, 1948
- 24th Division
- captured January 1, 1951
- Baptist
- 3½ years college
- average I. Q.

The Army Reported:

According to returned prisoners of war, Adams quickly became a willing follower of the Communist ideology and attempted to influence other prisoners to accept Communism. He collaborated with his captors by making recordings for broadcast, writing propaganda articles for camp newspapers, circulating petitions and urging fellow prisoners to sign them, and kept Communist authorities informed *of activities of other prisoners. As a part of the rewards tendered him, Adams was appointed by the Chinese to serve on a mess committee.*

IN 1945, HOWARD GAYLE ADAMS of Corsicana, Tex., was given the Bronze Star for his courage in combat in the Asiatic-Pacific theater.

In 1954, he was given a dishonorable discharge for his refusal to accept repatriation as one of the twenty-one American prisoners of war who stayed with their Red captors.

Gayle, as he was known in his home town, was a serious-minded youth who tried hard to live up to his own high standards. It is revealing that his citation for the Bronze Star reads, "For exemplary conduct on the field of battle." His conduct had always been exemplary.

° ° °

Gayle is the oldest of three boys. His father, J. H. Adams, was an oil field worker during the years the boys were growing up and he was seldom at home. . . .

Raising her three boys was a struggle for Mrs. Adams, who has earned the respect and affection of all who know her in Corsicana.

"I don't know how she managed on what she could get together," a friend told me. "It was a meager existence. But she managed. She kept the boys in school and she kept them going to Sunday School. . . ."

° ° °

When Gayle was growing up the family moved often and the boys went to several different schools in Corsicana and the surrounding area. . . .

At school, though his I.Q. was rated as average and he "put out the utmost effort," it wasn't enough and he had to repeat subjects at summer school frequently in order to keep up

. . . "Trouble dogged Elbert from the time he was born"

with his class. His teachers called him a polite, cooperative, responsible boy, silent and hard to know, who just accepted the fact when he was a loser.

° ° °

In 1942 Gayle went into the army for the first time and was sent to the Pacific where he won his Bronze Star. When he was mustered out at the end of the war, he enrolled in the new Junior College set up for G.I.'s at Corsicana. Again he didn't do well, nor did he take part in campus life.

° ° °

In the summer of 1948 he re-enlisted in the army and was sent overseas with the 24th Division, the first to land in Korea. Gayle was captured on New Year's Day, 1951, at the beginning of the second Chinese offensive.

° ° °

DOUGLAS: "'We Picked on Him—Why? I Don't Know'"

- Cpl. Rufus Elbert Douglas
- of Texon, Tex.
- born March 21, 1927
- re-enlisted March 19, 1949
- 2nd Division
- captured January 1, 1951
- Protestant
- one semester college
- average I. Q.

The Army Reported:

According to returned prisoners of war, Douglas wrote articles for the Communists, made propaganda broadcasts, read Communist books, attended classes organized for the study of Communism, and informed *on his fellow prisoners. As a reward, he was given better living quarters and better food and was chosen as a member of a mess committee. The Chinese also showed their confidence in him by giving him other duties connected with recreation, mail and sanitation.*

THERE WERE TEARS in the girl's eyes and she blinked to clear them away.

"We picked on him," she said. "We made fun of him. We just made life miserable for him. Why? I don't know. He was just a little old country boy and he didn't know how to act. It gets me now. If we had been a little nicer . . . if we had tried. . . ."

She didn't know it then but Rufus Elbert Douglas, who seemed to have been born to be bedeviled, was not to do any better in his new surroundings than he had done back home. For Douglas there is not even the remote possibility of a second chance. He will never come home again. The Chinese announced in June of 1954 that he had died of a "heart attack" somewhere in China.

There was no record of heart trouble of any sort in his medical history. It is unlikely that the true circumstances of his death will ever be known. But the conclusion is inescapable that the same qualities which caused him to be persecuted most of his life, qualities which made him fair game for the Reds, also made him most likely to get in trouble with his "hosts" behind the Iron Curtain.

Trouble dogged Elbert, as he was known growing up, from the time he was born. His father died when he was a baby. His mother remarried—unhappily. When he was eleven, she died too. His uncle and aunt, Mr. and Mrs. Ben Howard, had promised her they'd take the boy and they did. They brought him to live with them in Texon, Tex., a dying company oil town on the edge of the west Texas fields.

° ° °

Elbert's mother, Frances Howard, never completely recovered from the effects of a childhood fever, Mrs. Howard said, and never quite "grew up." She married Elbert's father when she was in her teens. Left alone with a young baby, she remarried. This marriage was desperately unhappy and Elbert made plans as a child about how he would revenge himself when he was grown.

° ° °

Just before his eighteenth birthday Elbert left school, his sophomore year not yet completed, to go into the army. That was the spring of 1945. World War II was still going on. He was discharged in December of 1946 and was the first of Reagan High's G.I.'s to return. He came back to school with advanced standing for maturity and experience in the army under Texas provisions for veterans. After attending for a year he went on, without a diploma, to Sul Ross State College in Alpine, Tex., under similar liberalized entrance requirements for veterans.

° ° °

At Sul Ross State College, . . . Elbert stayed only one semester and is remembered but vaguely. He took three courses, flunked one, barely passed the other two. He gave up then and got taken on as a "roughneck" in the Odessa oil fields. . . . After a short while he gave that up too and, without telling anyone, he re-enlisted in the army, in March of 1949. He went to Korea with the 2nd Division, was wounded in September of 1950, and was hardly back in the line before he was captured on New Year's Day, 1951.

° ° °

WILLS: "Bright Enough, but Reticent and Ingrown"

- Pfc. Morris R. Wills
- of West Fort Ann, N. Y.
- born May 3, 1933
- enlisted July 27, 1950
- 2nd Division
- captured May 18, 1951
- Protestant
- 2 years high school
- I. Q. 106

The Army Reported:

According to returned prisoners of war, Wills was active in Communist study groups, circulated peace petitions, made propaganda recordings for broadcast, and tried to persuade fellow prisoners to accept Communism. His rewards from the Communists included much attention and many favors and a large degree of freedom.

° ° °

VILLAGE FOLK AND FARMERS in this upland dairy community in the foothills of the Adirondacks were puzzled when they heard that one of their lads was among the twenty-one who refused repatriation. They were shocked when they saw

. . . "Richard composed a rude and jeering letter to his mother"

Morris Wills on television the day the group left for the interior of China.

"He didn't look like himself." . . . "He was awfully fat." . . . "He seemed so nervous, pacing back and forth behind the others." . . . "His eyes—he looked like a lost soul."

No one could explain why Morris should have been one of the twenty-one. Teachers and townsfolk alike had considered him a pretty average kid, bright enough, good-looking enough, likable enough, if easily led and somewhat reticent and ingrown.

They didn't know that the farm boy had fallen in love with a Chinese nurse, daughter of a Communist general, while he was sick in a prison hospital and had married her. He didn't write about it in his letters home.

° ° °

Fort Ann, about seventy-five miles north of Albany near the Vermont border, is a Main Street town which supplies the dairy farmers of the surrounding countryside. It is part of the milk shed for the New York City area. There is little diversified farming. The farms range from shacks on a few acres of scrub to completely mechanized outfits on lush bottomland. The Wills farm lies in between these extremes. Jake Wills, Morris' father, adds to the income by supervising the county roads. Morris and his father had never been close. When William, the oldest son, took over the farm management a few years ago, some of the townspeople believe that Morris felt left out.

° ° °

Morris wanted desperately to get away from the farm. His ambitions, the same as many boys his age in the community, were to quit school, get a job, get a car—in that order.

° ° °

With Morris the urge to drive, coupled with the wish to get away from the farm, grew so strong that it got him in his one brush with the authorities.

Five or six local boys, Morris among them, had worked out plans over a period of months to get a car and go to California. All but one of the others dropped out at the end and Morris would have to except that he was taunted as "chicken" and took the dare.

They took a jalopy belonging to the other boy's father, loaded it up with food, blankets and their guns and started off on their transcontinental tour. It ended abruptly less than a hundred miles from home when the car, of antique vintage, broke down near Albany and the two were picked up by state troopers and taken to jail.

The boys were not charged and were released to their fathers. The incident, however, had only increased Morris' determination to get away from home and school. Finally, two months after he was seventeen, he persuaded his father to sign for his enlistment a month after the Korean fracas started.

° ° °

Morris got to Korea after the Chinese had shown their full strength, as a replacement in the badly mauled 2nd Division. He was captured May 18, 1951, during the spring offensive.

° ° °

His letters home were called "phony" by his father. His family were sure it wasn't his handwriting.

"It is my understanding," one letter went, "that there is a peace movement back there, so tell Father that with all my heart I hope he supports the peace movement to his fullest ability in faith that it will bring me back home, quick and safe."

Muriel [his older sister] said that he had never called his father anything but "Dad." The letter spoke of harvesting wheat and of the "hired man." There is no wheat and no hired man.

"I am well and all right over here," he added, "except for one thing. The days are long and hot and tiresome and I keep longing for the day when I can return home safely."

That day didn't come for Morris Wills.

° ° °

TENNESON: "Swung Like a Pendulum Between Schools, Between Homes"

- Pvt. Richard R. Tenneson
- of Alden, Minn.
- born June 4, 1933
- enlisted July, 1950
- 2nd Division
- captured May 18, 1951
- Baptist
- 3rd year high school
- high I. Q.

The Army Reported:

According to returned prisoners of war, Tenneson collaborated with Communist officials, informed *on fellow prisoners, circulated petitions, attended special study classes, made propaganda recordings for broadcast, attempted to convert fellow prisoners to Communism, and consistently supported the Communist propaganda program. His rewards included liquor and marijuana.*

"I GOT NO HOME," said the stocky seventeen-year-old in uniform, on his last leave before going into the fighting in Korea. "You'll never see me again."

It is doubtful that Richard Tenneson really thought his dark prophecy would be fulfilled. He couldn't have known that three years later he would be exchanging the rolling plains around Alden, Minn., for the alien vistas of Communist China.

All of his life Richard had swung like a pendulum between schools, between religions, between homes. Even in prison he vacillated at first between being a "progressive" as those who lined up with the Reds were called and being a "reactionary" as those who resisted were called.

In the end he got caught on a downswing that never came up—caught so fast that in December of 1953 he sat in the neutral compound in Panmunjom and composed a rude and jeering letter to his mother. He didn't do it all by himself. He got a lot of help from his twenty-one companion prisoners of war who were refusing to return to home and country.

As each sentence was polished off, it was read aloud to be criticized or applauded by the group. When it was finished all were childishly pleased with the results.

And in a hotel room in Tokyo, a woman who had come halfway around the world in the forlorn hope of talking her son out of his fateful decision, read the letter and wept.

° ° °

"I have failed somewhere," she said then, "and I must find out where, because I have three other children. I believe a mother should start at birth trying to train a child for life. Perhaps I overdid it. Richard resented discipline. Perhaps that is where I made my mistake."

. . . If Richard's trouble was discipline it was too many different disciplines rather than too much. He never had a settled home, nor went to the same school for any length of time. He was even baptized into three different churches.

. . . "Why did Dunn collaborate? . . . No simple answers"

He lived with his grandmother during his pre-school years and after, lived a few months with one aunt, a year with another.

° ° °

His father and mother were divorced when he was two years old. His mother remarried when he was eight and he never accepted his stepfather.

° ° °

When he was sixteen, Richard got a job with a traveling carnival and got in his only difficulties with the police when one of his carnival acquaintances stole a car and took him along on a wild ride toward Fort Riley, Kansas, where Richard was going to enlist. They were picked up in Nebraska and Mrs. Howe had to come and get him. Richard was charged with juvenile delinquency and given a suspended sentence.

When he was just over seventeen and the Korean war had been on a few weeks, Richard finally did enlist. He left with his last year in high school yet to go. His school record had been spotty though his I.Q. was high. He was crazy to get into the army, his mother said, and he pointed out he could go to college under the G.I. Bill and he would be drafted eventually anyway. So Mrs. Howe signed for his enlistment.

He came back on his last leave in February of 1951, before he was sent to the battle lines. . . .

Richard was reported missing in action on May 18, 1951, just a few weeks after he went into the line. . . .

"He began to swallow the Commie line right after he was captured," a fellow prisoner of war who didn't, told me. "He was always talking about Communism. He liked to talk about it. He knew a lot about it because he studied the Reds' propaganda. We would ask him why he came to Korea to fight and he would say he didn't know the real story until the Chinese told him."

° ° °

DUNN: In School "His Grades Were Poor"

- **Pfc. John R. Dunn**
- **of Baltimore, Md.**
- **born June 27, 1928**
- **drafted December 12, 1950**
- **2nd Division**
- **captured July 24, 1951**
- **Episcopal**
- **high school grad**
- **average I. Q.**

The Army Reported:

According to returned prisoners of war, Dunn became a lecturer for the Communists, wrote articles for the Communist Daily Worker *of London, made special studies of Communism, collaborated with camp officials and attempted to convert his fellow prisoners. He was a member of the "Kremlin Club" and his rewards included appointment as camp librarian.*

FOR THE *Green Bag*, yearbook of Baltimore's City College which, despite its name, is a high school, John Roedel Dunn declared that it was his ambition "to be happy." . . .

On the surface, his chances of achieving it seemed good. A handsome, serious-faced boy, always well dressed and immaculate, he had earned the respect of his pastor—"One of the finest boys I know"—and his employer. He was looked up to by his pretty sister and his younger brother. His family was well-off; his father personnel director of a big industrial firm; his mother also employed by a wholesale grocery company.

Why then should he have chosen to collaborate with his captors and refuse repatriation to his own country?

There are no simple answers and this one is further complicated by the conflicting reports of fellow prisoners of war who did return.

"Don't believe a thing you hear," one wrote his parents, Mr. and Mrs. William Dunn. "Don't believe a word you read. Jack's a good boy. I refuse to believe it."

Alfred Graham, Jr., from his hospital bed in St. Albans, was more specific:

"Dunn gave me his blanket and his ration of sugar when I was sick on the thirty-one-day march north to the Yalu River," Graham said. "He waited on me hand and foot. He treated others in the company like that, too. Jack was in no way a progressive as I should know because I became his closest friend. He was very popular; the whole company liked him. He was kind and he was a good person—just good."

Pose those against this:

"He was filthy; the dirtiest guy in camp. We threw him in the river once as the only way to clean him up. The others didn't want to have anything to do with him."

Or this:

"He was a tagger. If there was anything going on, Dunn wanted to get in on it, whatever it was. He tried to talk like a college professor and was always haranguing the guys who wouldn't turn progressive."

Which is right? Both.

The glowing reports came from Dunn's stay in Prison Camp III where he spent the first year of his imprisonment. The critical ones are from prisoners of war who knew him in Camp V, where he made his decision not to return to his own country.

Exact details of what happened to him between the two camps will never be known. But there are definite clues to the puzzle of how a youth of his background and training could have become one of the twenty-one.

John was born in Altoona, Pa., June 27, 1928, the oldest of three children. . . . They shared the hard times of the depression which struck Altoona with particular force. Still, his father, starting as a clerk, worked up to assistant personnel manager. When John was thirteen, the job in Baltimore opened up and the family moved there.

John is remembered, if at all, by neighbors and teachers in Altoona as a quiet, shy boy. He repeated first grade, but the teacher who would know why is now dead. His grades were poor and when he transferred to Baltimore he repeated half of the seventh grade and became a midyear student.

He was given I.Q. tests four different times, receiving grades as low as 93 and as high as 111, an unusually wide variance (100 is average).

He was almost seventeen when he entered the junior year in Baltimore's City College.

° ° °

He was in a room that was classified as a mixed low-average group of "indifferent" students.

° ° °

In this group John stood out because of his appearance—he was always neat and well dressed—because of his age

. . . "Finally his family took John to a psychiatrist"

and because of his "high ideals." He "achieved the respect" of his classmates and was chosen by them to be home room president in his senior year.

In the meantime John, who had been a regular churchgoer most of his life, began to take an unusual interest in the Episcopal Church of the Resurrection in the northern part of Baltimore which his family now attended.

"He hovered around the church most of his life," said the Reverend Elmer P. Baker.

° ° °

John wasn't well. He had had asthma and hay fever when he was younger. In his teens he began having severe headaches and unexplained blackouts and fainting spells. His family took him from doctor to doctor with no results. Finally they took him to a psychiatrist. His report remains secret.

When John was twenty-two, the draft call came. (He is the only draftee of the twenty-one.)

° ° °

His acceptance by the medical board came as a surprise to those close enough to him to know his medical history. Still, army life seemed to agree with him. "He looked well when he came back to Baltimore on leave," Dr. Baker said.

However, on the transport going over to Tokyo, the medical officer who examined him said, "I don't know how you got in but I can tell you you're going back as soon as we get over." He was wrong. It didn't happen that way. John Dunn was put in the battle line as a radioman in June of 1951 and in July he was captured.

Fellow prisoners said he was captured because he stayed to take care of a seriously wounded officer who could not attempt to escape when the unit was surrounded by Chinese and North Koreans.

° ° °

FORTUNA: "Tragedy Stalked Him From His Earliest Days"

- **Cpl. Andrew Fortuna**
- **of Detroit, Mich.**
- **born March 20, 1926**
- **Bronze Star with Oak Leaf Cluster**
- **re-enlisted May 12, 1948**
- **1st Cavalry**
- **captured November 27, 1951**
- **Catholic**
- **2 years high school**
- **average I. Q.**

The Army Reported:

According to returned prisoners of war, Fortuna was paid by the Chinese to write articles some of which were published in the camp newspaper. He voluntarily joined a Communist study group and attempted to influence other prisoners. He was chosen by the Communists as a public address system announcer because of his reliability.

HIS MOTHER HAD DISAPPEARED into the shadows of Detroit's Skid Row. His half-brother was serving a prison term. His stepfather was dead, but the rift between them could not have been healed anyway. He and his Japanese wife had called it quits after their infant son had died of polio.

Andrew Fortuna, Jr., was twenty-seven and on his third enlistment in the army when he turned his back on his country. His heroism under fire had been recognized by the Bronze Star and Oak Leaf Cluster, won on the Korean battlefields. A less socially acceptable kind of courage had been recognized by a courtmartial for "misappropriating a truck."

Few who met this big, husky blond with the open-faced grin and the twinkling blue eyes would guess that tragedy had stalked him from his earliest days.

Andrew was born Ray Kraft in a small Ohio town in 1926. His mother came to Detroit when he was four and the depression was on, looking for work, a place to live, some future for her fatherless boy. She met Andrew Fortuna, an immigrant laborer. He married her, adopted the boy and gave him his name. The Fortunas had two children of their own, Donald and Viola. But the marriage was never a happy one.

The bickering and quarreling was so extreme that Andrew used to "stay out in the streets nights to keep from going home."

Interviewed in Detroit while he was awaiting a decision that sent him back to serve out a sentence with a Florida chain gang, his half-brother Donald said of Andrew: "He was the same as thousands of kids his age; he never had much at home. Nothing but trouble in our family. Seems like it should get better but it don't."

Mrs. Fortuna became a problem drinker and used to disappear from home for days at a time. Welfare assistance was needed constantly by the family, for clothes, food and medical care.

At school Andrew got only passing grades though his teachers felt he could have done better. A distinct extrovert, he made himself and his presence known wherever he was, even if it involved a fight. On the street and in the classroom he was continually involved in such struggles.

Yet, compared to his younger brother, he was quiet and restrained. Donald got in trouble first for "ditching" school. Next he was caught shoplifting. Then came robbery. Andrew resented the notoriety brought on the family by Donald's brushes with the police.

° ° °

When Andrew went to the Lincoln Park station to get a statement that he had no police record to turn in with his enlistment papers, an officer who didn't know him got out the Fortuna file and whistled at its length. Andy looked at it and pointed out that it was his brother's, not his.

"I'll be glad to get out of this damn town," he said. "Everybody knows the Fortuna name too damn well."

° ° °

Andrew was only fifteen the first time he enlisted in the army. Big for his age, he passed as eighteen. School authorities, tracing him as a truant, discovered he was in the army. They called in his mother. She wasn't sure that the army wasn't the best place for him despite his age. She thought maybe they could handle him better than she could. He was discharged, then, however, only to go back shortly after his eighteenth birthday and serve in the Rhineland and Central European campaigns.

Mustered out in November of 1945, Andrew tried civilian life for two and a half years before re-enlisting. He worked as a laborer on construction jobs and earned good pay and the respect of his employers. Now that he had money in his pockets, Andrew was beginning to drink. His quarrels with his stepfather became more serious. On May 12, 1948, he enlisted for the third time.

In November, 1949, he was convicted by a courtmartial

. . . "Unlike most of the twenty-one, Jimmie had many friends"

"for misappropriating a truck" and was fined $47.28 a month for six months. He went to Japan with the 1st Cavalry Division and landed with his regiment in Korea in July of 1950, when the war was but a few weeks old. He fought through all the engagements of the struggle up and down the peninsula, surviving the defeats which resulted in the capture of most of the others of the twenty-one. He was awarded the Bronze Star January 22, 1951, for endangering his life to take an enemy position. He was awarded the Oak Leaf Cluster May 20, 1951, for leading a platoon in an attack on an enemy hill and for killing twenty-five of the enemy.

He was captured, ironically enough, the day after the twenty-day peace negotiation "lull" started on November 27, 1951, a year later than most of the twenty-one.

Although the army listed him as a public address system announcer for the Reds, chosen because of his "reliability," those who knew him in camp say that he was "reactionary" during most of his two and a half years in prison camp.

* * *

VENERIS: "All His Life He Wanted to Be Accepted"

- **Pvt. James G. Veneris**
- **of Vandergrift, Pa.**
- **born March 27, 1922**
- **re-enlisted 1950**
- **2nd Division**
- **captured December 1, 1951**
- **Greek Catholic**
- **high school grad**
- **above average I. Q.**

The Army Reported:

According to returned prisoners of war, Veneris' collaboration included giving lectures on Communism, leading study groups, signing and circulating petitions, trying to influence his fellow prisoners to accept Communism and acting as liaison man and librarian at his camp.

"YAH! YAH! Dirty imperialists!"

The stocky, dark-haired American soldier in the Chinese padded blue uniform, spit the words out venomously and jumped up and down in his rage at the U. N. representatives that had approached the barricades of the neutral compound at Panmunjom.

This was Jimmie Veneris of Vandergrift, Pa., known as "the Greek" all up and down the prison camps run by the so-called Chinese People's Volunteers.

Oldest of the twenty-one—he is thirty-three—Veneris is not Greek, but was born in the United States, though both his parents were born in Greece and neither ever learned to speak English. All his life he wanted to be accepted as an American. He refused to learn more than a minimum of Greek and he broke out of the Greek clique in his home town to pal with boys whose national origins were less defined. But he was still "the Greek" even in prison camp.

I talked to his mother out in Hawthorne, Calif. . . . His sister Anastasia acted as interpreter. . . .

"I don't know what to say or what to think," Mrs. Veneris told me. "He must have been under terrible pressure to come to believe these things. . . ."

"He always hated Communists," Anastasia added on her own. "He always said that people who were Communists should go back and live in Russia. . . ."

* * *

In Vandergrift, a steel mill town less than an hour's drive from Pittsburgh, the shock was just as great. Ralph W. McIntyre, burgess of the town, called Jimmie one of the best-liked young men in town. Others spoke of how much he had appreciated being an American, how proud he was of his country.

Unlike most of the twenty-one, he had many friends in all walks of life, growing up. He had a high-average I.Q. and had the best school record of any of the group, getting mostly B's with a few C's. He had to work after school—he ushered at a movie house—so athletics were out of the question, but he had participated to some extent in the social activities of his classmates. . . . He had been in the stage crew of the Christmas play. He always had a girl for the school dance. He was a good talker—pick a subject and he knew something about it—he read a lot on his own, especially in psychology and psychiatry.

But there were some who saw the hopes and ambitions, the frustrations and resentments below the surface.

Vandergrift is a charming town that climbs the hills steeply from the river where the railroad station, mill and shopping center are located. It is a town without a slum—or if it has one it is the narrow street where Jimmie Veneris lived. It is also a town singularly free from race or national prejudices; the Greek element, however, tends to keep to itself. His father had a laborer's job and Jimmie minded that.

"We felt in a way," one of his teachers said, "that he grew up without parents because, with the language barrier, there was so little communication between him and them."

He wanted desperately to get ahead, another teacher told me, but he wanted to do it quickly; he wanted to hit the top of the ladder without touching the other rungs. And he felt that other people "didn't appreciate what he had to offer."

* * *

Jimmie Veneris' last year in high school was colored as it was for the rest of his classmates by the World War II draft and the impending threat of war. He graduated in June of 1940 and was in the army by August—to stay for five years and take part in the New Guinea campaign.

When he was discharged he got a job at U. S. Steel, not that quick hop up the ladder he had hoped for but a laborer's job as a stocker's helper, sweeping and cleaning up.

* * *

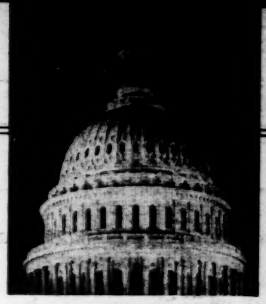
Jimmie got laid off and worked at various jobs, as an usher, as he had earlier after school; as a waiter in a restaurant. His family moved to California but he refused to go with them.

Finally, in September of 1950, he re-enlisted. The date is important because the Korean fighting had already started. Veneris was one of the few among the twenty-one who went into the army knowing there was a war on and he might get into it.

A month after he went in, Veneris was en route to the front, as a badly needed replacement for the mauled 2nd Division. He survived the Chinese offensive at the end of November that pushed United Nations troops pellmell back from the Yalu River, and was captured a year later on December 1, 1951, during the "quiet" period when peace negotiations seemed certain of success. Though he was reported to have fallen for the Communist line early, he was never accused of being an informer.

* * *

(This page presents the opinion of the Editor. The news pages are written by other staff members independently of these editorial views.)



"MUTUAL TRUST"

BY DAVID LAWRENCE

ONE SOMETIMES WONDERS why, in all the welter of comment by the statesmen of the world about peace, it takes so long to get down to brass tacks. President Eisenhower seems to have isolated at last the germ of the world's anxiety—its main reason for fearing another war. He said last week at his press conference:

"In the long run, the kind of peace which we are seeking, the kind of peace that will really allow people to be really tranquil and confident in their daily pursuits, will be achieved only when nations have achieved that mutual trust of which you speak."

There has not been for years, and there is not now, any trust in dictatorships—governments which rule by force and without the consent of the governed.

The world cannot disarm, free nations cannot live without fear, so long as the mechanism to threaten world peace exists in the form of an arbitrary government which at any given moment can order an attack on a peaceful neighbor.

The remedy for the world's ills, therefore—the way to begin to build up mutual trust—is to proclaim to all peoples that no diplomatic recognition will be accorded to any government which denies its citizens the right to free and uncoerced elections.

The principle is not novel. It was affirmed in a prophetic pronouncement in 1944 by the Catholic Bishops of America, who, in analyzing the Dumbarton Oaks proposals for a United Nations organization, said:

"The international organization must never violate the rightful sovereignty of nations. Sovereignty is a right which comes from the juridical personality of a nation and which the international organization must safeguard and defend.

"However, national sovereignty may not be interpreted as absolving a nation from its obligations in the international community. Moreover, even within the state, national sovereignty is limited by the innate rights of men and families. Since civil authority does not confer these God-given rights, it may not violate them.

"The ideology of a nation in its internal life is a concern of the international community. To reject this principle is tantamount to maintaining that the violation of the innate rights of men in a country by its own government has no relation to world peace.

"Just at this moment, in the interest of world peace, our nation is exerting itself to root out some ideologies which violate human rights in the countries we are liberating.

"We hold that if there is to be a genuine and lasting world peace, the international organization should demand as a condition of membership that every nation guarantee in law and respect in fact the innate rights of men, families, and minority groups in their civil and religious life. Surely our generation should know that tyranny in any nation menaces world peace.

"A nation which refuses to accord to its own people the full enjoyment of innate human rights cannot be relied upon to cooperate in the international community for the maintenance of a peace which is based on the recognition of national freedom.

"Such a nation will pursue its own selfish international policies, while paying lip service to international cooperation."

The occasion for the making of the above statement was, of course, the war against the Nazi dictatorship. Had the free nations of the world united between 1933 and 1939 to warn the Hitler regime that it could not get raw materials or carry on trade with the free world until the people of Germany were permitted to have an unrestricted voice in their own affairs, the second world war might never have been fought.

There would be no fear of a third world war today if Soviet Russia were a republic with the customary freedoms that are enjoyed in a democracy.

There would be no Iron Curtain if the press could report to the outside world freely and without censorship what is going on inside Russia, and if the newspapers there were free to print any comment they pleased.

There would be no threat of war if the people of the Soviet Union were permitted to have parties of opposition and if a system of free elections were established so that the people could decide what armaments they needed for defense and whether they would be willing to submit always to a system of good-faith inspection.

There's not much use talking about making peace by international conferences or by paper plans for reduction of armaments when there is no "mutual trust." This can come only when all the nations of the world boldly proclaim the realism of our nuclear age—that the establishment of a free government in each country that has the capacity to menace world peace is a prerequisite to the survival of all other free governments.

There can be no disarmament or acceptable treaties or agreements until the Soviet people are free and the peoples of the satellite countries are also free. It's the only formula that will assure an enduring peace.

Freedom Has a New Sound!

ALL OVER AMERICA these days the blast of supersonic flight is shattering the old familiar sounds of city and countryside.

At U.S. Air Force bases strategically located near key cities our Airmen maintain their *round the clock* vigil, ready to take off on a moment's notice in jet aircraft like Convair's F-102A all-weather interceptor. Every flight has only one purpose—your personal protection!

The next time jets thunder overhead, remember that the pilots who fly them are not willful disturbers of your peace; they are patriotic young Americans affirming *your New Sound of Freedom!*

PUBLISHED FOR BETTER UNDERSTANDING OF THE MISSION OF THE U.S.A.F. AIR DEFENSE COMMAND

CONVAIR

A DIVISION OF GENERAL DYNAMICS CORPORATION